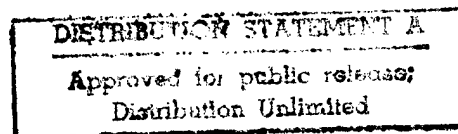


302192

JPRS-LAM-85-077

11 September 1985

Latin America Report



19980722 093

DTIC QUALITY INSPECTED 4

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

4
88
A05

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

11 September 1985

LATIN AMERICA REPORT

CONTENTS

INTER-AMERICAN AFFAIRS

- Chilean Ambassador to Argentina on Integration Progress
(Arturo Fontaine Aldunate Interview; ERCILLA, 31 Jul 85)... 1

ARGENTINA

- Carranza on Defense Budget, Intelligence Agencies
(ARGENTINE NEWS, 7 Aug 85)..... 4
- New Emerging Student Leaders on Political Activity
(Martin Giurfa, et al., Interview; CLARIN, 19 Jul 85)..... 10
- Radical, Peronist Internal Political Strength Assessed
(Julio Blank, Antonio Cesar Morere; CLARIN, 14 Jul 85)..... 17
- Anti-Inflation Plan Effects on Labor, Business
(Michael Llanos; ARGENTINE NEWS, 7 Aug 85)..... 24
- Former SIDE Head Levies Charges Against Military Intelligence
(ARGENTINE NEWS, 7 Aug 85)..... 27
- Commentator Reports on Armed Forces, Government Relations
(Daniel Lupa; LA PRENSA, various dates)..... 28
- Tensions Persist 28
- Uneasy Relations 30
- Questions for Defense Minister 32
- Government Destabilization Plot 34

CHILE

- Backgrounds of Assassinated Communists
(HOY, 5 Aug 85)..... 37

Professional Groups Formed Despite Collegial Objections (ERCILLA, 31 Jul 85).....	39
ASIMET Head Comments on National Metallurgical Industry (Gustavo Ramdohr Interview; ERCILLA, 24 Jul 85).....	41
COLOMBIA	
1986 Proposed Budget Totals Compared to 1985 Figures (Arturo Menendez Vall-Serra; EL SIGLO, 29 Jul 85).....	47
Industrialists Deplore Governmental Economic Policies (Carlos Pineros; EL TIEMPO, 3 Aug 85).....	53
Bids for Oil Pipeline Construction Solicited (EL TIEMPO, 2 Aug 85).....	56
Briefs Credit for Flower Growers	57
DOMINICA	
Charles Cites Aims of Economic Aid Accord With EEC (CANA, 3 Aug 85).....	58
GRENADA	
Noel New Senate Leader of Government Business (CANA, 28 Jul 85).....	59
Government Submits Projects for Possible EEC Funding (CANA, 30 Jul 85).....	60
Concern Voiced Over Illegal Development of Some Land (TRINIDAD GUARDIAN, 7 Aug 85).....	61
Price Increases Spur Return of Nutmeg Producers (TRINIDAD GUARDIAN, 7 Aug 85).....	62
Exit of Caribbean Military Affirmed for September 1985 (TRINIDAD GUARDIAN, 5 Aug 85).....	63
GUADELOUPE	
Account of Contacts Between Luc Reinette, French Officials (LIBERATION, 4 Jul 85).....	64
MONTSERRAT	
Briefs British Economic Aid	66

NICARAGUA

Land Reform Figures for Masaya, Country Published
(BARRICADA, 17 Jul 85)..... 67

Robelo Explains UNO Views on Mixed Economy, Defense
(Alfonso Robelo Interview; LA NACION, 29 Jul 85)..... 70

ST LUCIA

Details of Aid Agreement With EEC Cited by Compton
(CANA, 2 Aug 85)..... 73

URUGUAY

Opposition Parties Add Six Points To Proposals
(LA HORA, 23 Jul 85)..... 75

Deputy Says Congress Ineffective on Major Issues
(Luis Hierro Lopez Interview; BUSQUEDA, 25 Jul 85)..... 77

Social Problems Threatening New Democracy, Says Writer
(Daniel Bianelli; BUSQUEDA, 25 Jul 85)..... 81

INTER-AMERICAN AFFAIRS

CHILEAN AMBASSADOR TO ARGENTINA ON INTEGRATION PROGRESS

Santiago ERCILLA in Spanish 31 Jul 85 p 11

[Interview with Chile's ambassador to Argentina, Arturo Fontaine Aldunate, by Isabel Larrain]

[Text] Buenos Aires. When Chile and Argentina signed the Treaty of Peace and Friendship on 9 November 1984, many people believed that marked the end of a long and difficult history. But it was just the beginning.

Chapter XII of this agreement provided a period of 6 months to set up a national integration commission. Its mission would be to stimulate integration and economic cooperation between the two nations.

Statistics suggest that a rapprochement between the two countries is needed: during the past 5 years, trade has declined by 50 percent to \$180 million. If that is considered in the context of a statement made by Eugenio Heiremans, president of the national chapter of the Chilean-Argentine business committee, that if conditions were right, trade could amount to \$800 million, the thought alone is enough to get people moving.

And that is precisely what is happening. Last week Brig Gen Ernesto Videla went to Argentina for meetings related to setting up the commission. Arturo Fontaine Aldunate, Chile's ambassador to Argentina, accompanied him everywhere. In an interview with ERCILLA, the diplomat explained what had been discussed and what has already been done.

Question: What were the results of the bilateral talks held in Buenos Aires last week?

Answer: Bilateral relations with Argentina have been at an optimum level since the Treaty of Peace and Friendship was signed; not only have boundary disputes been worked out and provisions been made to handle any possible future differences, but a climate of understanding has been created which I believe is highly promising. An atmosphere of confidence now reigns; there is a feeling that people are once again meeting, people who for a variety of reasons have been separated in recent times. They have once again begun to feel that they can work together, and that a historic error was made in not carrying out this cooperation on appropriate levels.

The government of Chile has appointed Brig Gen Ernesto Videla to form an executive department which will be responsible for handling integration issues in Chile. In order to clarify certain procedural matters and to talk with the Argentines, General Videla visited Buenos Aires and met with three undersecretaries of appropriate areas. I accompanied him during those talks and we reached a good position for starting to outline the organization that is going to implement the treaty.

Question: What will the characteristics of the Binational Integration Commission probably be?

Answer: It is expected to have a very simple structure with not many members, and to be able to establish contacts with different sectors in both countries. The idea is that it should call in technicians or specialists whenever necessary for specific issues. Its small nucleus will expand or contract, depending on the type of matter being studied.

Question: Will this organization just have an advisory nature, or will it also have some decision-making powers?

Answer: Just an advisory capacity. The commission will propose solutions to the governments for specific problems, but the governments will have to decide.

Question: What is the sense of having businessmen participate in the first phase of this rapprochement? In May of this year about 500 executives met in Mendoza to study trade agreements between the two countries.

Answer: That is because in the end private enterprise and businessmen are the dynamizing factors behind integration. They are the ones who will really set the pace for integration. Regional development in particular will depend on what the businessmen in those areas can do.

Here the businessman is the leader, the dynamic factor. The governments simply have to set up the framework within which private initiative will operate.

Question: What specific integration projects are there right now?

Answer: There are still no definite projects; we do know that there are an enormous number of traditional plans being considered, but now the time has come to decide which ones will be set in motion. The commission will study that.

Integration is a very slow process, not because there is no desire or interest in doing anything, but rather because it is of such magnitude that resources are needed. And they don't come by themselves, nor are they easy to get. So we always have to prioritize. We are starting off small. The

process of economic complementation and physical integration is a lengthy one; if it took us years and years to settle our boundary conflicts, it shouldn't seem surprising that there might be some slowness in this process. But that doesn't mean that nothing is being done. In diplomacy and in politics things start to happen when the desire exists.

7679

CSO: 3348/879

ARGENTINA

CARRANZA ON DEFENSE BUDGET, INTELLIGENCE AGENCIES

Buenos Aires ARGENTINE NEWS in English 7 Aug 85 pp 4-6, 8-10

[Text] *WHEN President Alfonsín had to fill the void left at the defense ministry by the death of Raúl Borrás, he turned to a man who other members of the cabinet describe as "the smartest man in government" and "a genius." Roque Carranza, a specialist in public administration, is known for his broody and reclusive style of management as much as for his effectiveness, and is not prone to giving interviews. In this exclusive chat with Argentine News, however, Carranza talked freely about the tough task he has inherited: bringing Argentina's unruly and disorganized military under control. It is the first major interview Carranza has granted.*

He also revealed the administration's strategy for dealing with the potentially explosive human rights issue. There will be no amnesty law nor a law setting out what is and is not "due obedience;" instead, Carranza is confident the verdict of the Federal Appeals Court in the trial of the nine former commanders—in-chief will set clear precedents that will place "a rational limitation" on military responsibility for the dirty war.

Arms sales, the defense budget, intelligence agencies, the Malvinas conflict and many others were the topics Carranza talked about in this unusual glimpse into an unusual cabinet minister's opinions.

A.N.: *To what extent have budget cutbacks affected the Armed Forces and the defense establishment?*

R.C.: Well, as you know the defense budget has been reduced substantially. If you take the 1983 budget as a base of 100, defense spending has been reduced to a level of 72. That is about a 25 percent cut, since these indexes are sort of difficult to get right.

At this moment the goal is to keep defense spending at about two percent of the Gross Domestic Product (GDP), which was the level it was at in 1972. Of course the GDP was probably larger at that time than it is now.

We think this doesn't pose a problem... rather it shouldn't pose a problem for the operations of the Armed Forces if there hadn't been a gap between the equipment and the policy of each service. There is an overlap of efforts between services, each area does the same thing; when certain material is needed, there is no coordination to ensure that all forces use the same material or at least the same basic components.

The Defense Ministry is working

seriously on this: We have a logistics department, under the control of the Defense Secretariat, and a technology development department under the Defense Production Secretariat, which are aimed at improving our systems. The logistics department looks at this from the point of view of the needs of each service. The technology department looks at the implications of the choices that are made, the reductions and cuts we achieve, and at the possibility of coordinating equipment, production, costs, etc.

This is a long process, and one that has run into problems in every country. In the US, for example, (the goal of unification) has not been achieved yet; each of the services has its own logistics service and its own planning. The thing is that the US is still rich enough to waste efforts. We aren't so rich.

These are some of the factors involved in reducing the budget. A second problem has been that since the Malvinas war there has been some reticence and limitations in obtaining supplies.

A.N.: A British defense expert recently suggested that Argentina's rearmament after that war has been excessive. What do you say?

R.C.: This is basically not true. There have been repairs and such things, but there has not been a significant increase in the number of planes or of ships, or of ammunition or anything.

A.N.: Was the material lost during the war replaced?

R.C.: There was partial replacement, but a small part.

A.N.: What percentage overall?

R.C.: I would say about 30 percent of the material was replaced.

A.N.: In all three services?

R.C.: No, the replacement levels for each service were different. But in the Army this figure doesn't count because it had only limited participation in the war. But there has not been a wave of rearmament, and not everything that was lost in the war has been replaced.

A.N.: At what stage is the plan for an overall reorganization of the military? Has the government made any decisions which alter, for example, contingency planning?

R.C.: This is precisely an issue that is now in the decision-making stage. But logically it is not an issue to be given publicity. The contingency plans are drawn up by the civilian government with the advice of the Joint Chiefs of Staff. Naturally the basic hypothesis is a defensive or deterrent hypothesis, which is adjusted to each particular case. But this is already becoming too specific.

A.N.: How does the Defense Ministry see the trial of the nine former commanders-in-chief? Retired officers insist that it is a political trial of the institution of the Armed Forces.

R.C.: The President was very explicit on this point in his speech on Armed Forces day, when he said once again that who are on trial are the officers who took the decisions and had the responsibility, and not the Armed Forces as a whole.

Of course, in this as in all issues which involve politics, there are those who interpret things differently, those who are honest and those who try to muddle things up.

One thing which does not contribute to the understanding of all this is the headlines used by some newspapers to report on the trial. They say things like "the Army tortured," instead of so-and-so tortured, or that it was this unit or that base.

This unscrupulous handling of the news has provoked resentment, without any doubt. But it is also true that it is not easy to leave behind such a violent process. It is by no means simple to achieve the kind of balanced judgment that can be used in his speech to the Armed Forces used in his speech to the armed forces pointing to the need for a reconciliation.

I think the best summation of this complex problem has been made in an editorial by the daily *Clarín* in July, which is titled *The Military Question*.

(Quotes from editorial) "The day-by-day denouncement of the excesses that are being tried is a positive thing that produces the repudiation of the citizenry, but it has the drawback that it excites the legitimate sentiments of those who have suffered through our dirty war, whether it was the attacks of the guerrillas or the excesses of counterinsurgency. This deepens the gap between those who should be united by their pain and their hatred of clashes between brothers."

This kind of reasoning is unusual in present-day Argentina, isn't it? That is, to recognize that each has the right to feel injured by these things. This is the first profound analysis I have seen in an editorial of this problem. Usually (the editorial) takes one side or the other. And the role of the government is precisely to be able to look at things from above, isn't it?

A.N.: The Defense Ministry has reportedly worked on a project to limit the prosecution of officers involved in the dirty war through the legal concept of due obedience. We have heard that this issue has again come to the fore. Can it be said that the government aims to protect those who committed crimes in the fight against subversion who acted under orders?

R.C.: There has been talk about a *punto final* (final point). The *punto final* is a complicated issue, because first of all this in no way means there will be an amnesty law, nor does it mean sweeping the worst excesses under the carpet. What we are talking about is simply to put a rational limitation on responsibilities (for the dirty war).

In principle, this is already contained in the contents of the reformed military code of justice, and quite surely the decision of the (Federal) Appeals Court will set a very clear legal precedent for other judges to follow, orienting their action.

A.N.: Then the government expects this limitation to come out of the Appeals Court's verdict?

R.C.: I think, and this is a personal opinion, that it would be desirable for it to happen this way.

A.N.: Then the ministry has not worked on a draft law to define due obedience?

R.C.: My ministry?

A.N.: Yes. Your ministry.

R.C.: No, my ministry has not worked on any draft law...

A.N.: Does this mean we can assume that the Defense Ministry has worked on such a project in the past?

R.C.: Last year, there was some work done... (on this). But it was never completed. The problem exists, and it was studied.

But I think that there will be a series of positive occurrences. First of all, the (federal) prosecutor (Julio Strassera) has shortened the trial by desisting from some of the testimony...

A.N.: But by doing this he also prevents the possibility that more officers still on active duty will be called to testify...

R.C.: Yes. But you've noticed that when officers on duty have been called by the (Federal Appeals) court, it has been simply as witness, so this doesn't affect their situation.

A.N.: But it irritated or worried the military nonetheless.

R.C.: There was a time when it worried the Armed Forces. But I think that the most important issue is the shortening of the time of the trial. No doubt the prosecutor took this initiative because he felt he had already proved his case, so in two or three months we will undoubtedly have firm legal precedents set on this whole affair.

In second place, and looking at a different aspect, the Malvinas trial has completed the phase of instruction. It is now being examined by the prosecution, which has 45 days, and then the defense will have 45 days, and then the court will have to issue a verdict. This is another important case, because it is clearing the decks of problems which seemed would last indefinitely. I think that with a sentence in the Malvinas case, with the end of the Appeals Court trial, there will be a considerable easing of tension, and the principal responsibilities will have been established. A few loose cases will be left, but this will be inevitable, so I think that...

A.N.: In the civilian courts?

R.C.: Yes. There will be some loose cases, like this one involving this Mr Camps, who will be tried in La Plata, and a few others, but in effect this will be over and the main guilt will have been established beyond any doubt.

A.N.: If any of those loose cases should involve officers still on active duty, would that provoke military discontent?

R.C.: I don't think so, because these loose cases also involve the retired people...

A.N.: What about the Astiz case?

R.C.: Yes. Well. I don't think many new cases will appear. Well, the thing now is to clear up all these problems and to solve them, so we can begin not only useful work but also the task of pacification and reconciliation, which the President pointed out so emphatically in his speech on July 5. I think this is the central problem we have in Argentina from the point of view of the military.

In general, it can be said that while the public has an established opinion — and I don't mean among government functionaries — that the Armed Forces are necessary, there is also an awareness that the excesses must be punished. One thing does not exclude the other, and in fact there have not been any serious

incidents in what could have been, for example, this trial.

When this trial began, some journalists, some foreign journalists who have lived through similar circumstances in other countries — although none of the comparisons is totally valid — thought this trial would be scandalous in its proceedings, that there would be demonstrations by people who went to heckle or support the other side and all that. But the country has absorbed all this with great maturity.

A.N.: There were a lot of us here who also thought those things would happen.

R.C.: Yes... actually, I did too (laughs). I wasn't at the Defense Ministry then.

But the important thing is that this didn't happen. The country has shown great maturity, more than the headlines of some newspapers. I think this is a truly positive thing, that it shows that experience is not in vain, and that after all the tough things that have happened there

is still a capacity to reason, and to react in a positive way rather than vengefully, which would have been tragic.

A.N.: The history of the last 50 years shows that the Argentine military have repeatedly put themselves in the position of judging civilian governments, something which has been attributed to a specific kind of education. The President promised during his campaign that he would reform the curriculum of military colleges. What has been done so far?

R.C.: I think that the interpretation the President made in his speech is truly the correct one. Perhaps the word he used was not fully understood, because it is an unusual word, but (the President) spoke of the unlawfulness of Argentine society, meaning the lack of respect for laws and institutions, but he made a point of saying that this is not a characteristic that was unique to the Armed Forces, but rather that civilians always had participated and plotted (coups). So that this is not a single responsibility but rather a social guilt.

I want to emphasize that I think that this speech is fundamentally important, both because of its intellectual base and for its timing.

A.N.: But is the government reforming the study plans for the military academies?

R.C.: The chiefs of staff are reviewing the curricula right now, and so is the War College. This is a problem that takes time...

A.N.: At this point in time, are the curricula the same as what was taught two years ago?

R.C.: But you know as well as I that a program of study depends very much on how they are taught (laughs). So that without changing the curriculum, you can say something that is not the same.

A.N.: Is there resistance in the Armed Forces to changing the curricula?

R.C.: No. The military recognize the need to make a technical change in the plans of study, they recognize the need for coordinating them in order to make joint action possible, but also without a doubt that the drawing up of contingency plans is not the responsibility of the military but of the civilian government, with of course the technical advice of the Armed Forces. This is really the fundamental change, because this is what shows where the responsibility for defining the mode of action falls. This is not formally set out in a curriculum, but it

is a fact that is recognized and accepted, and I think this is the great change.

A.N.: Why has the initiative to form a holding company out of the defense-related companies stalled? Could any of these companies be privatized in the near future?

R.C.: Well, it hasn't stalled. There are moments to do these things. If you are in a situation of economic emergency, when the budget for 1985 has just been sent to Congress for the second time, then it is difficult to find the administrative and political space to carry out that kind of reorganization. We'll just have to wait for the right moment, possibly after the budget is approved and the economic reactivation measures begin to take effect.

We Argentines have too much of a tendency to think that if we change the wording we are changing everything. We know this is not so. You can replace one law with another or change organizational forms and the system and the structure can remain unchanged.

I think the idea of a holding company is a step forward, that it can facilitate the functioning of some activities, that it would permit the separation of some of the the political functions that some of the defense companies still have, because there was a confusion of political functions like the steel plan with the technical functions of production. This confusion may have been reasonable 30 or 40 years ago when these companies were first developed, but now it is time to separate this kind of thing.

A.N.: Could some companies be turned over to the private sector?

R.C.: Surely. But this is a complex thing, because first of all we have to see if anyone is interested in privatizing them. There are some very large companies which need such a large capital outlay, like SOMISA or ASNE, so it is difficult to imagine privatization. What could happen is that there could be a participation of private capital, the way it is planned for SOMISA. The problem is that in the case of SOMISA there is practically no private participation, even though it is planned as a joint venture.

I don't know if at this moment with the shortage of capital... I don't know if there is any capital which could be taken in. But that is not an impossible or undesirable problem, right?

A.N.: What are the main differences

between the government's Defense Law bill and the Defense Law currently in force??

R.C.: The law is primarily aimed at defining the function of the Armed Forces, of the mission of the military as a defense against external attack and not as an internal defense force. Some sectors have criticized the bill saying it does not make this distinction clear enough, but the constitution empowers the executive branch to maintain order, first, and second to use all its means. So as an exceptional possibility this cannot be ruled out. It is in the constitution. What the law must do is to define the specifics.

A.N.: *The bill also provides for the creation of a National Intelligence Agency. Does this mean that the intelligence services of each of the forces will be eliminated?*

R.C.: No, this is not possible, because each branch of the Armed Forces has specific intelligence requirements, as well as the overall requirements. The National Intelligence Agency would coordinate the activities of the various services. But obviously the Navy has different intelligence requirements than the Army. The United States has a Central Intelligence Agency, but each service also has its own intelligence service.

A.N.: *Is the US a model for this project?*

R.C.: No. We don't have the capacity to make the kind of expenditures they do, to have the military services, a national security agency and the CIA, because we frankly don't have that much money or that many people for that kind of thing. What we have to do is coordinate what we have in order to use it better.

A.N.: *Several times this year, the government has blamed incidents of political violence on an "unemployed workforce" left without jobs by the return to civilian rule. Does the government have any estimate as to how large this "unemployed workforce" really is?*

R.C.: No, or at least I don't know about it if it does. The thing is that during

the recent war... rather the recent conflict, these people were hired for different reasons. Some who did not belong to the security forces volunteered for ideological reasons. Others were hired, as is usually the case in this kind of thing, for more commercial reasons, since as you all know common crime also plays a role. In this case there are already some under arrest, all of them common criminals, as you know...

A.N.: *How does the Defense Ministry see the fact that several military attachés in Argentine embassies around the world are accused of human rights violations related to the dirty war? And how does it see the visits to the arrested former commanders-in-chief by officers on duty?*

R.C.: In the first place, no one is guilty until they have been sentenced. Each person has the right to have the relationships and friends he chooses. What I can say is that the headlines have exaggerated the number of visits (to the commanders), almost tripled the real number. There have not been that many.

A.N.: *Is that a relief for the Defense Ministry?*

R.C.: I think it a demonstration of the lack of caution that a lot of your colleagues have.

A.N.: *The former chief of the State Intelligence Secretariat (SIDE) recently charged that the Defense Ministry had blocked his efforts to dismantle what he termed "bases of operations" within the intelligence community. Is this true?*

R.C.: This is a vicious declaration. First of all, if he wanted to mention (former Defense Minister Raúl) Borrás, he could have done so when Borrás was alive. In the second place, because it isn't true. His idea was that all of the services should be integrated into the SIDE and this I think is technically impossible. The national intelligence service project is a way of coordinating the services without those inconveniences.

A.N.: *Will Argentina participate in the UNITAS naval exercises with the United States this year? What about the Fraterno exercises with Brazil?*

R.C.: The Fraterno exercises are being planned for the end of the year, I believe in November. As for UNITAS, we will not participate for the time being.

A.N.: *Doesn't this affect the political relationship with the US?*

R.C.: No. The US has asked us if we would participate, that's all. They have not insisted.

A.N.: *What is your opinion of Argentina's potential as an arms exporting nation?*

R.C.: Argentina is selling equipment. But a lot of things have been made public which are not exactly accurate or have been done indiscriminately. All countries sell armas. This may not be very pleasant from an idealistic point of view, but it is a fact of life.

A.N.: *It has been said that the possible sale of warplanes to Iraq could harm a much more important commercial relationship with Iran. Is Iraq truly interested in the Pucará aircraft deal?*

R.C.: I don't know.

A.N.: *Has the deal been signed?*

R.C.: No. Not while I've been defense minister. You know that by law all arms sales have to be authorized by a presidential decree. No decree has been issued yet.

**-Douglas Tweedale and
Armando Torres-**

CSO: 3348/903

ARGENTINA

NEW EMERGING STUDENT LEADERS ON POLITICAL ACTIVITY

Buenos Aires CLARIN in Spanish 19 Jul 85 pp 2-3 supp.

[Interview with Martin Giurfa, Alejandro de Leon, Julio Muniagurria and Ariel Daitch by Cynthia Lejbowicz: "Who Are the New University Leaders?"; date and place not specified]

[Text] Last year in the student elections at the University of Buenos Aires, 50,224 students voted out of a possible total of 140,670. This represents 36 percent of the student body. Later, when considering real participation at the centers, those percentages became even smaller. Ariel, Martin, Alejandro and Julio are four student leaders representing different political groups. They lead the centers of their respective schools. They agree on many things. The four feel that they hold a position that "should have fallen to a different generation" and attribute the statement that "one must go to school to study, not be in politics" to ulterior motives. They feel they are students above all else and firmly deny that activists are show-offs or charlatans. Each one talked about his convictions and all agreed in defining the enemy that opposes them most: the fear that settled in us when being young was not a divine treasure but a motive for suspicion and worrying about others was an infraction.

Martin Giurfa (22 years old), President of the Center for Exact Sciences

Martin Giurfa is a member of the Intransigent Youth. His comrades say that he is a dunce.

[Giurfa] That's not it. It's just that I am serious about everything I do. My first responsibility is my biology studies. I must be a student. I think it is a malicious prejudice to say that anyone in political activities does not study.

[Question] Another thing that is said is that anyone who is an activist gives up his youth. Do you have time for other things?

[Giurfa] My days are busy but I make time for what I like. I spend many hours at school because this elitist education is not for people who work. We have 2 or 3 hours without class in the middle of the afternoon. I work as a French announcer for the RAE [expansion unknown] 3 days a week and the meetings of the center and my group occupy many hours. I have a girlfriend who is also active in the center and studies chemistry. I also spend all the time I can playing my guitar.

[Question] Do you study guitar?

[Giurfa] No, I am self-taught but I like it. In 1981 we joined with a boy who plays the flute and played at school. Many people joined and there were required meetings twice a week. We named ourselves La Cofradia del Litargirio. I think that was the beginning of the resistance in the School for Exact Sciences because in 4 months we were banned as subversives. In 1982 I played Latin American music and in Lima I played jazz.

[Question] Did you live in Lima?

[Giurfa] I was born in Lima and lived there until 1981. I received very intense family education about Argentina and learned to love it like Peru. I knew everything that happened there and felt a commitment to reject the murdering dictatorship and repression. However, it was very different when I arrived. Although the decompression had already begun, there was a climate of fear that impregnated everything and everyone. I think that was the dictatorship's best weapon. I felt an enormous need to participate. Since I was convinced that snipers do not achieve changes, I tried to channel my rebellion into a political plan for liberation.

[Question] To what extent do the people in your school participate?

[Giurfa] Look, in the last elections about 50 percent of those enrolled voted. Participation is low and goes down even more when it is time to work in the centers. Therefore, it is necessary to talk and make the people understand the need to make demands. We leaders must constantly reevaluate how to reach the students. We must put aside superideological language and not ignore any question.

[Question] How did you learn to be a leader?

[Giurfa] By participating from the base and paying attention to mass demands. In our country there is an enormous gap because of the genocide that destroyed all the intermediate cadres; those who should be leading are the missing. That policy of removing the leadership disarticulates and demobilizes any mass organization. Therefore, it is necessary to insist on organizing, generating solidarity. I know that my mission as a student leader is to organize and lead but I also have to learn to delegate responsibilities. The students have to feel that the center belongs to them and put aside their fear.

[Question] Are you afraid?

[Giurfa] At the beginning I was but activism is a concrete response to fear. Personally I might be afraid of not being on top of circumstances.

[Question] What role do you think society assigns to us?

[Giurfa] Look, when they asked Milstein, the Nobel prizewinner, about the youths, he said that we were the future. I think we must not be just the future because we are the present and our commitment is today.

Alejandro de Leon (26 years old), President of Engineering Students Center

When the 1976 coup d'etat cut off all the democratic projects, Alejandro de Leon was the delegate of his division. Today, at 26 years of age, he heads the Engineering Students Center as a member of Quantum, an independent organization.

[de Leon] I believe that the center is a school for life. At least, I was trained in civics and democracy; I learned to listen to others here and respect their ideas. Even as president, I sometimes had to defend ideas which I did not agree with because everything is decided here by a majority. If we consider the horrors we have experienced, the differences between us are erased. They do not compare to the pain of what happened. That must put us on the same side and make us overcome the fear of assuming the responsibilities that should have fallen to a generation that does not exist.

[Question] The situation at your school sounds a bit idyllic....

[de Leon] Look, our main achievement is a large general consensus among the different parties and groups. There is a diversity of alternatives but not opposition. We work together because we agree about what type of university we want: basically to raise the academic level and open the doors of education to all sectors. Everything is not ideal. Out of a total of 12,000 registered students, only 5,500 voted in the last elections. Even more serious, there are only 500 on the center committees and only half of them participate actively.

[Question] How can that be changed?

[de Leon] It seems to me that renovation comes with those who are coming to the school. We saw very tough things when we were very little. That could generate fear and skepticism in us. I see that the people who are in the first year today, despite having experienced a difficult secondary school life, have a lot of spunk and little prejudice. If we compare the present with the period of democracy before the coup, we note that there was terrible violence then. I think that a lot has been learned today; there is a widespread awareness about choosing the road to peace and democracy.

[Question] What are the main activities of the center?

[de Leon] We could divide them into two large areas. In the academic aspect, we achieved a structural change and we are discussing the study plans with

all sectors of the educational community. As to the union, our center gives scholarships of economic aid; we know that this does not change a difficult situation but it is part of a philosophy. We have a good publications department and we are trying to optimize the bar service of the school. Also, as part of the Social Action, we help teach literacy in some districts and improve living conditions. This is very important and is occurring in almost all the schools.

[Question] Does the union work take time away from your study?

[de Leon] I try not to let it interfere. I am taking the two courses I have left in order to graduate and I am working on some finals I must take. I feel that it is an ethical matter to respond as a leader and as a student. I am sure that participation is not incompatible with yield. It also seems to me that the union activity enriches us as future professionals and as people.

[Question] Do you have time left for your personal life?

[de Leon] Well, it would need a lot more time....My family life is a little limited but I have a girlfriend. I sail and I try to read a lot about politics. There is also, of course, my work in SEGBA [Greater Buenos Aires Electrical Services].

[Question] You graduate this year. How are you going to meet your need to participate then?

[de Leon] I don't really know yet. I will surely do something related to my professional activity, perhaps some social project that can be carried out. The important thing is to keep the desire to do it.

Julio Muniagurria (24 years old), President of the Medical Students Center

The chorus of the Medical School rehearses in the school corridor. Julio Muniagurria, president of the center for Franja Morada, completes an idea that had already been expressed:

[Muniagurria] This is the basic thing. The fact of having recovered the university for the students has incalculable value. Therefore, we insist that everyone should participate in the center, make it their own and channel their expectations and needs through it.

[Question] Some students think that there are partisan interests in the centers. Can this be the reason they do not participate?

[Muniagurria] No, at least not the only reason or the most important. I think that the lack of mobilization is mostly due to the fear left over from a time when participating was like playing with a gun, a time when the people were subjected to a terrible psychological bombardment to keep them from "getting involved." It is also necessary to keep in mind that only people who had a certain social makeup entered the university. That makeup determined that lack of participation.

[Question] How is that going to change?

[Muniagurria] By giving the time needed to regenerate confidence. The same thing happens in the country. It is necessary to conquer skepticism, begin to believe that the coup cycle has ended forever.

[Question] Have you been in partisan activities long?

[Muniagurria] I approached the Franja at the beginning of 1983. I come from a family with several politicians from different parties. Reality was always important to me. In 1975 I was a member of the students center at a private school. There were not many alternatives. The coup caught me not yet politically defined but I received the great jolt in 1978 when we began somehow to come back to reality.

[Question] What year did you enter Medical School?

[Muniagurria] In 1981 after trying to enter for 4 consecutive years. One of the many times I was protesting with other people about entrance restrictions, the dean, who was in the military, had the police throw me out. When I finally entered, there was still no center. I joined the Culture Committee and later I was my class' delegate.

[Question] To what extent does it benefit you to be a "government" center?

[Muniagurria] I don't like that word because it implies obsequiousness. Now there is a great conflict in the Medical School due to the teaching competition. We support dean Matera who is opposing rector Delich. We are UCR members who share an ideology but we have our differences. Also all the criticisms of the government reach us. Many of the people who voted for Franja actually voted in the university for Alfonsin. It is hard for us to change that situation. I think it is necessary to adapt the political discussion to reach all the students. Contrary to what some think, that does not mean lowering party banners.

[Question] Are those banners the priority?

[Muniagurria] Well, there is ideological conviction, a political project that comes before the personal aspect. The university is not an island in the country. The same problems are reflected in it as at the general level although, naturally, there are also problems specific to it.

[Question] The student leaders are known as show-offs, charlatans....

[Muniagurria] The image of show-off is applied to the politician in general. It seems to me that it is connected to the campaign of those who do not want the people to participate. Of course, there will be those who promise things for votes but, for them, the personal aspect comes before ideology. The majority of us are not like that.

[Question] In your case, how much room do you have left for your personal life?

[Muniagurria] Little, because I want to do too many things. Every morning I attend the Hospital Unit, in the afternoon I work in a doctor's office and then I come to school to work on center things. I am in sports and three times a week the theater. I try to go to recitals and be with my family. However, I don't have a girlfriend.

Ariel Daitch (26 years old), President of Veterinary Students Center

He shares his three-room apartment with a parrot, a cat, some parakeets, two squirrels, a cocker spaniel, several fish and his wife. With so many supporters, Ariel Daitch's nomination for president of the Veterinary Center was assured.

[Daitch] In my school, we independents are the majority. To me, a student organization must have a strictly internal policy and also speak out about major national problems. The political parties usually put their interests and ideologies first and, naturally, university questions come after.

[Question] Have you been in union activities long?

[Daitch] No, not long. Although I was in secondary school during an emotional time, I watched from the outside. It seemed to me that the activists in political groups were beyond me. Now I think they are great. As a teenager, I did not participate when it was possible, much less when it was impossible.

[Question] Then, how were you trained as a leader?

[Daitch] When I entered Veterinary School, after having spent 3 years in the School for Exact Sciences, I realized there were many things to change. It was the beginning of 1983 and we already met less timidly. We formed discussion committees and I was involved in all of them. Gestar, the group I belong to, was second in the elections that year and I became head of the Publications Committee. I remember that I used \$500 of my own to put out the first publication. I got it back in less than 2 weeks. At the end of a year, we had published 170 different works. That was the only committee that worked seriously and carried out what had been proposed. My candidacy was approved and we won the next elections in 1984.

[Question] Are things going well for you?

[Daitch] Not as well as they should. We won the elections since we are the most active but today we are paying the price because, in general, the students cool off. The people vote and then make demands. The worst is that the same thing happened in the country after the "boom" of the democracy was over.

[Question] Why does that happen in the school?

[Daitch] On the national level, although there is no clear idea of how far it reached, the people know that everything was very serious. It is logical that

some are afraid that it will happen again and this time to them. Also the university had a very elitist policy and the people who had time and money entered. That type comes from a social class that is not the most active. I don't think that the Basic Cycle solves this problem of class access to the school.

[Question] Do you think it was different before the coup?

[Daitch] At times we talk with leaders of the era before the coup. Then the students, right or wrong, were much more combative. All the people participated more but they must have made a mistake since the coup came after.

[Question] Do you think the leaders show a lack of experience?

[Daitch] Some are interested and motivated but they need to accept their duties as obligations. Others are confused and that spreads to the students. They play the game of electoral speculation. Of course, it is no accident that the parties go to any length to be in the schools. The university experience is transferred to the country. What happens in the university is a symptom of what can happen at the social level.

[Question] How do you organize your time?

[Daitch] I work 3 days a week at the store, I have four meetings a week for the different organizations and I take seven courses. I am at the school a lot. Fortunately, my wife Marina is in the same school. There is a tradition that I have continued religiously since secondary school. Every weekend I play soccer on a GEBA [expansion unknown] team.

77]7

CSO: 3348/867

ARGENTINA

RADICAL, PERONIST INTERNAL POLITICAL STRENGTH ASSESSED

Buenos Aires CLARIN in Spanish 14 Jul 85 pp 12-13

[Article by Julio Blank and Antonio Cesar Morere: "Radicalism After Internal Elections; Peronism After La Pampa"; passages enclosed in slantlines printed in boldface]

[Text] At the beginning of April, shortly after having tried the chair on the fifth floor of the Palacio de Hacienda (and 3 weeks before President Alfonsin alluded to the "war economy"), Minister Juan Sourrouille organized a strategic meeting: breakfast with top people in the UCR [Radical Civic Union]. Around the table, with the minister and his closest associates, sat Enrique Nosiglia, Juan Manuel Casella, Edison Otero, Cesar Jaroslavsky, Leopoldo Moreau, Federico Storani, Marcelo Stubrin and Jesus Rodriguez. The objective of the minister's invitation was quickly revealed: to seek /partisan support/ for the battles he would soon fight.

Someone suggested those invitations and was not wrong about the names. These eight top men are the nucleus of /real power/ within the government party. It is said that they are /the president's men/, executors of Raul Alfonsin's decisions within the party. That real power within the UCR is /as far from the formal leadership organisms (National Committee, for example) as it is close to the president/. It had the chance to show its high cards in the recent internal elections.

Abbreviated Who's Who

Four of those /president's men/ are from Buenos Aires Province which has the largest UCR rolls, about 705,000 members. Juan Manuel Casella, former deputy and former minister of labor, has just been named the head of the Buenos Aires Provincial Committee in the internal elections. Leopoldo Moreau will head the slate of candidates for national deputy in the November elections. Edison Otero, provisional president of the Senate, was the basic architect of the agreements that prevented a large-scale internal confrontation in the province. He is the head of the RyC [Renovation and Change] Movement of the largest electoral district in the country. Federico Storani, helmsman of the Buenos Aires Coordinating Board, consolidated his influence and was also a protagonist in working out the agreements 8 days before the internal election.

Meanwhile, Buenos Aires City with three leaders is the nucleus of party decisions. The three are on the Coordinating Board, the Alfonsin group that--cleverly allied with well-known local leaders--easily won the internal capital election 2 weeks ago. Enrique Nosiglia, undersecretary of social action, is a key figure of the Buenos Aires City UCR. Marcelo Stubrin, vice president of the UCR bloc of deputies, will (surely) head the slate of candidates for parliament from the capital UCR. Jesus Rodriguez, head of the Radical Youth, holds the strategic seat as chairman of the Budget and Finance Committee of the Chamber of Deputies.

Cesar Jaroslavsky is outside of that constellation of Buenos Aires Province and city leaders but the Entre Rios deputy not only heads the UCR bloc in National Parliament but will join the National Committee of the UCR representing his province with the express mandate to run for /alternate president/ of the party. UCR circles feel that the reins of that position--virtual executive party leadership--will remain in Edison Otero's hands while Jaroslavsky would hold the helm of a vice presidency. To confirm that /the 1 million members on the Buenos Aires Province and city rolls have the real power of the party/, Juan Carlos Pugliese, another man who frequents the highest levels of party decision-making, can be added to that main constellation.

Bases of Power

The internal dynamics of the UCR have their peculiarities. Beyond general agreements in the different party groups, each province is the scene of constant games of alliances and readjustments that often seem to contradict the alliances and readjustments in other districts. For example, there has been an /alliance in deeds/ in recent months between the Buenos Aires Province "veterans" in the RyC Movement (Casella, Moreau, Otero) and the Buenos Aires city members of the Coordinating Board (Nosiglia, Stubrin, Jesus Rodriguez) despite the rivalry of some with the provincial Coordinating Board (Storani) and others with the city "veterans." Of course, despite this interweaving and embroidery, there is a party tradition that must be respected: each one settles his affairs without intervening in the internal affairs of another district.

One circumstance stands out in the internal UCR situation: The group of Buenos Aires Province "veterans" and Buenos Aires city "coordinators" played a leading role in several major events promoted recently by the UCR government (for example, the 26 April mobilization, the economic shock and the changes in the Secretariat of Public Information). (A well-known duo--Nosiglia and Moreau--functions in that group as the usual promoter of initiatives and mobilizations within the party structure.)

There is another well-known fact: one of the bases of /real power/ in the UCR can be defined as /closeness to the president/, the common denominator of all the names cited so far. This nucleus confirmed and consolidated in the recent internal elections must not be understood, according to those who know the complex UCR fabric, as only a set of direct advisers and collaborators of Alfonsin. /They all have solid structures within the party machine and clearly lead their districts./

In Buenos Aires Province, despite the formation of single slates for the main party positions to be filled, about 280,000 UCR members went to the polls to elect Casella as president of the provincial committee and Otero and Storani as delegates to the National Committee (with senator Adolfo Gass and the intendant of Mar del Plata, Angel Roig). The single slate also permitted the automatic proclamation of Moreau as prime candidate for deputy in the upcoming November elections. The RyC Movement placed its men in the presidency of more than 80 percent of the 127 districts in the province.

In the capital, the Coordinating Board (usual simplification of the longer, complete name: National Coordinating Board of the Radical Youth of the RyC Movement) won in 24 of the 28 districts, controlled the formation of the Buenos Aires City Committee, propelled Marcelo Stubrin onto the National Committee (with intendant Julio Cesar Saguier, undersecretary Emilio Capuccio and leader Juan Carlos Ruiz) and won majority representation for the Radical Youth with the slate headed by deputy Jesus Rodriguez.

Internal Elections in the Interior

In Santa Fe where the internal struggle was hard fought (and where there were confrontations that made police reports), two deputies clashed: the people of the Coordinating Board led by Luis Caceres won over the "veterans" of Roberto Pascual Silva. Despite its importance--more than 100,000 UCR members voted in Santa Fe--the victory did not put Caceres in the orbit of party power. Perhaps, according to some party circles, this is because the president of the Santa Fe UCR does not hide his /critical evaluation of some areas of the UCR government and party. (He opposed President Alfonsin retaining the effective presidency of the party.)/

Meanwhile, in Cordoba arrangements to make provincial confrontation unnecessary have already been woven together. In that interior province, the LC [Cordoba Line] led by Governor Eduardo Angeloz has the advantage. A couple of weeks ago, he sealed an agreement with RyC. Therefore, in the elections next Sunday, 21 July, there will be a single slate to make Macario Carrizo (LC) president of the provincial committee and Mario Negri (RyC) first vice president. There will be two men from LC and two from RyC in the first four positions on the slate for national deputy.

Although its majority position is unquestioned, not everything in the UCR internal elections has been won by the RyC. The last elections also showed that several provincial leaders have retained their local hegemony even without aligning themselves with Alfonsinism. That was true in Chaco where senator Luis Leon, head of the MAY [Movement of Yrigoyenist Affirmation], retained provincial leadership as he has for the past two decades. The MAY also exercises party leadership in San Luis where the slate headed by Carlos Zabala won over the alliance of the RyC and National Line. Meanwhile, Balbinism won in La Rioja and San Juan. In La Rioja, the Federal Movement, inspired by the undersecretary of interior, Raul Galvan, won the presidency of the provincial committee for Jose Vega Aciar. In San Juan, the presidency remained in the hands of deputy Ricardo Colombo who is tied to the Movement for National Integration.

The electoral court must resolve a conflict in Formosa where the RyC with deputy Alberto Maglietti and the Balbinists of Radical Convergence with Jose Maria Parajon, an official of the Ministry of Interior, claim victory. In the other districts where there have already been internal elections, the RyC retained party leadership. That occurred in Chubut where the presidency remained with Mario Simadevilla, sending Hipolito Solari Yrigoyen and Santiago Lopez to the National Committee. They are all tied to Governor Atilio Viglione. Alfonsinism also won in Jujuy where the provincial leader is Fernando Zurueta and in Tucuman (here in alliance with the National Line) with Ramon Martinez heading its slate.

This is the picture of the internal workings of party power in the UCR that can be sketched today. (Although it has a close relationship, it is not the internal workings of government power which obviously includes other well-known names.) There are still internal elections to be held in Salta, Mendoza, Catamarca, Rio Negro, Misiones and Entre Rios, districts where the RyC, whether with alliances or their own slates, will hold provincial leadership, according to the analysts of party interweaving.

Peronism After La Pampa

Peronism finally managed to extend bridges between orthodox Odeonism and the Riohondist renovators. It sealed unity with its eyes on the elections next November. The La Pampa congress a week ago served as the architect for that bridge mounted on three major arches: the union and political power of /the 62/, the internal embroidery done at two points by senator Vicente Leonides Saadi and Buenos Aires leader Herminio Iglesias and the gradual eclipse of the brilliancy with which Riohondism started a few months ago.

/Three sectors met/ at that congress. They were completely different although each one of them contained a diversity of shades. They were:

The decisive alliance of /the 62/, Herminio Iglesias and senator Vicente Leonides Saadi who carried out a key task in the architecture of the unity. He won the support of people in the interior who, like him, did not come from the ranks of Odeonism.

The sector originally enrolled in the renovating group which sought an agreement for "united" leadership.

The genuinely Riohondist sector that tried unsuccessfully to impose its candidates until it noted its sudden weakness and stopped presenting its slates in the La Pampa congress.

Decisive Level: Union

At the decisive union level, holder of the basic keys of Peronism, there was the already known two-lane street. On one side was /the 62/. Within a framework of only seeming importance, they managed to influence the politicians so that they agreed on a slate. They obviously played their cards in favor of the Odeonist slate presented by the Iglesias-Saadi axis. On the other side,

in the other lane, was /the 25/ allied and aligned with the renovating groups of Richondism.

In Santa Rosa, /the 62/ revolved around a nucleus made up by Jorge Triaca (who would be elected second vice president in the top hierarchy of the union branch of Peronism), Lesio Romero, Diego Ibanez and the absent Lorenzo Miguel, on a trip through Italy. Deputy Luis Santos Casale, closest political collaborator of the metallurgical leader, stood in for him. Meanwhile, /the 25/ had as top representatives Roberto Garcia (who would have been nominated second vice president if a renovator slate had been presented) and Roberto Digon.

Conflicting Projections

The result of the congress is known: the executive board of the new National Council remains headed by Isabel Peron, first vice president Vicente Leonides Saadi, second vice president Jorge Triaca, third vice president Alberto Rodriguez Saa, secretary general Herminio Iglesias and political secretary Luis Salim. The names show an easily interpreted chart: the 62-Iglesias-Saadi tripod has the reins of the party machine in its hands now. The renovators, after assimilating the opposition, are ready to form an internal group at the national level.

Both groups look at the distant party future.

The renovators feel that the current leadership will not be able to attract independent voters in the coming elections and that a new defeat in the elections next November will mean the rapid attrition and decline of the "Saadi leadership." These circles feel that the time for the new renovator group will have arrived then since, by that time, Richondism will be organized as a national internal group.

The "Saadi leadership" does not share that electoral pessimism. It feels that the situation of Peronism is not as good as could be hoped for but it feels the economic shock will lead to attrition of the government party and will hurt its electoral results. The strategy seems obvious: Peronism will make strong critical opposition. Due to the small numerical difference in the Chamber of Deputies and the virtual tie in the Chamber of Senators, the hope of winning parliamentary control is encouraged in these other trenches.

Groups and Power

The party leadership shaped by the La Pampa congress reveals three very different groups. One is personified by Herminio Iglesias and has the most important and populated district on the Peronist map. The second which Vicente Leonides Saadi represents does not have a machine comparable to that of the Buenos Aires leader but demonstrates his old, well-known ability as a weaver. The third, /the 62/, has its own specific weight to act as catalyst or moderator and change the balance--depending on the circumstance--when the predictable sparks begin to fly between the Buenos Aires chief and the Catamarca chief whose political projects are not at all similar.

Beyond this evaluation lies the geographic and institutional balance of power. The result of the La Pampa congress strengthened Saadi as president of the bloc of senators and, consequently, hurt other positions: for example, that of senator Oraldo Britos and senator Jose Humberto Martiarena on opposite paths to the Catamarca senator. At the same time, in the Chamber of Deputies the results weakened the renovator bloc led by Jose Luis Manzano and gave hope to unification of the 111 deputies with the predictable dominion of the 62-Iglesias axis.

The balance of power in the Buenos Aires district reveals the known consolidation by Herminio Iglesias who has outlined how the internal elections in the province will be carried out on 25 August. The norms and methodology have been questioned by the Renovator Front headed by Antonio Cafiero and the intendant of Lomas de Zamora, Eduardo Duhalde. The renovators could run to the courts but the National Council has express powers to intervene in the district. That intervention could well nominate a selective slate of candidates and avoid the internal elections.

Meanwhile, in the Federal Capital, there are only 8 days left before the internal elections which will be, according to the analysts, a true test of the balance of power between the two groups in the national orbit. On one side is the slate headed by Julian Licastro, supported by the influence of /the 62/ and also by the groups that show solidarity with this nucleus based on the Movement of Peronist Unity headed by deputy Luis Santos Casale. On the other side is the renovator slate headed by Carlos Grosso, the political result of the alliance of the Richondist sectors Front for Victory (Grosso and Roberto Grabois), the Current for Renovation (led by Eduardo Vaca and Carlos Holubica) and the union nucleus of /the 25/ (led by Roberto Digon and Roberto Garcia). There is a third slate headed by Miguel Unamuno and Juan Carlos Dante Gullo and a fourth nominating Juan Ricardo Mussa.

Provincial Map

Santa Fe is a strong district in solid with the current leadership. Its governor, Jose Maria Vernet, is in the 62-Iglesias-Saadi axis. He faces opposition led by deputy Luis Rubeo, defeated in the recent internal elections. In Cordoba /Raul Bercovich Rodriguez, allied now to the majority sector/, was chosen. /The renovator group, headed by Jose Manuel de la Sota/, must start over, according to the analysts of the complex Peronist internal workings, to overcome its negative results at the La Pampa congress.

In San Luis, with the cancellation of the congressional mandate of Oraldo Britos, the sector led by Governor Adolfo Rodriguez Saa won. His brother, senator Alberto Rodriguez Saa, was nominated third vice president of the Peronist leadership at La Pampa. In Corrientes, Julio Romero must face replacement after unsuccessfully trying to unite Odeonists and Richondists.

The map of internal power in Peronism can be completed as follows:

The districts with Peronist governors who maintain a solid position with the new leadership are those of Catamarca (Ramon Saadi), Formosa (Floro Bogado) and Santa Cruz (Arturo Puricelli).

The districts with Peronist governors who maintain a more or less equidistant position are those of Tucuman (Fernando Riera), Jujuy (Carlos Snopeck), Salta (Roberto Romero) and Chaco (Florencio Tenev).

The districts with Peronist govenrors who maintain solid positions with the renovators are those of Santiago del Estero (Carlos Arturo Juarez), La Rioja (Carlos Menem) and La Pampa (Ruben Marin).

The political observers feel that there is a renovator majority in the districts of Mendoza (Jose Luis Manzano and Juan Carlos Bordon), San Juan (Cesar Gioja), Misiones (Julio Cesar Humada), Entre Rios (Dardo Blanc and Carlos Vairretti), Chubut (Hebe Corchuelo Blasco and Cesar McCarty) and Neuquen (Jose Mazzei). On the other hand, Rio Negro (Mario Franco) is aligned with the new leadership.

The evaluation of forces within Peronism is not just a lineal question. Even when the renovators continue to show great geographic presence, the districts that send the largest number of representatives influence the makeup of the organisms of top party authority. Consequently, an alliance between Buenos Aires, Santa Fe and /the 62/ starts with a numerical base that is virtually impossible to overcome by an eventual alliance of the smaller districts. Therefore, the observers of the Peronist internal workings conclude that as long as Herminio Iglesias and Governor Vernet retain political control of their respective districts and maintain the decisive alliance with Lorenzo Miguel and /the 62/, the balance of power will remain on their side.

7717

CSO: 3348/867

ARGENTINA

ANTI-INFLATION PLAN EFFECTS ON LABOR, BUSINESS

Buenos Aires ARGENTINE NEWS in English 7 Aug 85 pp 11-12

[Article by Michael Llanos]

[Text] **P**resident Raúl Alfonsín's war against inflation is starting to take casualties: factory layoffs, non-payment of wages and reduced work hours are quickly knocking Argentine workers out of action.

Of course, the war economy announced last June 14 by Alfonsín is not the cause of Argentina's recession — economic indicators show the down trend began back in October 1984 when production began to fall and layoffs to climb steadily.

But Alfonsín's policies of tight credit, wage-price controls and drastically reduced public investment have turned a rough recession into an unbearable one for workers and business alike.

With both labor and business feeling the affects of a "stepped up" recession, it is not surprising that they are the first to charge that Alfonsín's anti-inflation plan spells economic disaster.

The government won a few weeks through the massive public support for the plan and its catchy ad campaign portraying critics as *desertors in the war against inflation*.

Moreover, the Radical administration is doing its best to play down the job problem. Labor Minister Hugo Barrionuevo in late July said the employment situation "is not worrisome" and the ministry has so far refused to release the list of firms planning to layoff or suspend personnel.

But the respite is over. The General Confederation of Labor (CGT) and business groups like the Argentine Industrial Union (UIA) and the

Argentine Rural Confederations (CRA) are demanding economic recovery now — not next year, not next month. Now.

The CGT, pressured by the rank-and-file, is to stage its third general strike during the Alfonsín administration in the second half of August.

The first two protests were to demand wage increases. The third is to demand job stability.

Unions, as well as business groups, are also dramatizing the recession by releasing cold figures on layoffs, suspensions and reduced work hours.

The 128,000-strong Construction Workers' Union (UOCRA), which during the mid- to late-1970s had 250,000 members, reported that 50,000 hard-hats

were laid off or suspended during parts of June and July.

Even business, which is usually reluctant to talk about labor problems, has helped draw attention to the worsening job situation. While the labor ministry refused to release the list of firms planning layoffs, the Buenos Aires Province Industrial Association (ADIBA), a UIA member, reported on 300 near-bankrupt companies faced with a surplus of personnel.

Hardest hit are the auto and metallurgy industries, according to ADIBA. Volkswagen, Mercedes Benz and MAN suspended a total of 1,700 men during part of July. Ford, meanwhile, took advantage of last month's illegal factory takeover to fire 338 workers.

In Córdoba, Renault is no exception to the rule, suspending its 2,100 men for

four days last month. And Perkins Diesel, which builds motors, sent its 983 assembly line workers home for part of July.

The metallurgy industry can hardly claim to be faring any better. ADIBA reported suspensions at Yelmo (700), Acería Bragado (450) and Iñiguez (170). In Chaco, Talmet suspended its 360 men for 45 days.

The teamwork by labor and business has certainly put more pressure on the government. But it is not the first time Alfonsín has been double-teamed by the unlikely pair. Business groups took the "revolutionary" step of backing the CGT's last general strike in May.

The same teamwork can be expected during the CGT's "plan of action" this month.

But despite being outnumbered two to one, Alfonsín appears determined to keep tightening the recessionary screw if the war against inflation so requires.

The latest round of interest rate hikes on the Central Bank's *letras telefónicas* —the closest thing to a prime lending rate in Argentina— means even less credit for a cash-strapped business sector.

Alfonsín's willpower to resist refuelling the economy too soon raises the question the CGT and unions would rather ignore: Just how far will labor leaders go to back demands of job stability and economic "reactivation"?

On the surface the CGT appears to be narrowing Alfonsín's breathing space. Nine months separated labor's first and second general strikes. Three months separate last May's general strike and the one-day protest planned for late August.

But a closer look shows that a general strike is that and nothing else. The CGT does not promote shock protests like the Ford takeover nor prolonged strike action in an entire industry.

In effect, the CGT uses the general strike as an escape valve. The government understands this perfectly well — presidential secretary Germán López, no friend of Peronist union leaders, went so far as to "welcome" labor's plan of action.

The Congress by-elections on November 3 are, of course, reason enough for the Peronist dominated CGT to blast away at Alfonsín's economic plan. But moving from rhetoric to bolder action is too big a step for most labor leaders.

While drastic measures would win the hearts of Argentines on the extreme opposite ends of the political spectrum, they would also alienate the large majority of Argentines —among them many Peronists— who still hold the labor

hierarchy responsible for the 1976 military coup.

As a result Argentina's working class faces harder times down the economic road.

All signs point to a prolonged recession:

A recent survey of the top 35 firms producing for local consumption showed business has revised sales projections through December sharply downward.

A poll taken by the Argentine Business University shows 67% of companies in the consumer durable industry plan to reduce personnel in the short run.

Business stocks are at near record levels, suggesting that economic recovery will first require a lengthy period of liquidating already existing production.

— Michael Llanos —

A tale of two industries

The textile and construction industries have become major battlefields in the war against inflation. Over 70,000 workers in both industries are war casualties — hit by layoffs, suspensions and reduced work hours.

Both the Textile Workers' Association (AOT, 74,000 members) and the Construction Workers' Union (UOCRA, 128,000) have prepared reports on the job status of their members.

The following synopsis of the tale told by the AOT summarizes the situation of textile workers in particular and Argentina's blue-collar work force in general:

"October 1984: The industry continues a strong recovery through October 30 with 80% of production capacity in use. Overtime work reported in numerous important companies.

"November to December 1984: As of November 15 productivity falls sharply. Payment of wages delayed. Overtime work ended: 35% of workers paid late. 25% are affected by suspensions, reduced work hours and layoffs. 70% receive the second part of their half-year bonus late, and 40% get the bonus

between January 10 and 20. 20% of companies start vacations early.

"January to March 1985: 80% of companies on vacation. No overtime. 30% of workers are affected by suspensions, reduced work hours and layoffs. Problems in payment of wages and vacation pay.

"April to May 1985: As of May 1 it appears that production levels are stabilizing. Some companies continue to face serious problems.

"June 1985: With the economic measures taken by the government worker suspensions, reduced work hours and layoffs rise at an alarming rate.

"Unofficial reports say important companies are about to close. Up through June 30 40% of workers are affected by reduced work hours running from one to three days a week; suspensions range from 15 to 45 days; numerous layoffs totalling 500 men may reach alarming levels.

"A large number of companies have yet to pay wages for the first two weeks; the second part of the half-year bonus, according to unofficial reports, will be paid by some ahead of time while others with delays and still others have yet to set a payment date."

Below is a summary of the layoffs and suspensions reported by the AOT and UOCRA in June and July, by geographic region.

AOT	suspensions	layoffs ¹
San Martín, BA	2,994	209
Gutiérrez, BA	2,000	
Tucumán	2,000	8
La Matanza, BA	1,429	47
Quilmes, BA	1,343	
Lomas de Zamora, BA	1,261	7
Trelew	1,138	10
Morón, BA	864	
Corrientes	801	12
Jauregui, BA	718	
San Luis	663	
Catamarca	640	
Comodoro Rivadavia		
Santa Cruz	364	
Valentín Alsina, BA	360	6
Patricios, Fed Cap	341	
Belgrano, Fed Cap	340	6
San Nicolás, Santa Fe	336	
Córdoba	310	4
Santo Tomé, Corrientes	230	
Chascomus	227	
TOTAL of 20 areas	17,061	309

¹ While textile workers faced more suspensions than layoffs, the situation is the reverse in construction where layoffs greatly outnumber suspensions.

UOCRA	layoffs	suspensions
Formosa	4,600	
Mendoza	1,408	961
San Lorenzo,		
Santa Fe	1,280	
Northern Greater		
Buenos Aires	1,097	
Chaco	821	
Rio Grande		
Tierra del Fuego	594	210
Federal Capital	582	
Morón	577	
Rosario	569	
Viedma, Río Negro	555	
La Plata	505	
Lomas de Zamora	500	
Ushuaia, Tierra		
del Fuego	400	
Neuquén	380	160
Concordia,		
Entre Ríos	346	
Bahía Blanca, BA	353	
Junín, BA	351	
La Pampa	325	
Paraná	298	100
Pergamino, BA	258	
Río III, Córdoba	230	15
TOTAL of 21 areas	15,971	1,446

ARGENTINA

FORMER SIDE HEAD LEVIES CHARGES AGAINST MILITARY INTELLIGENCE

Buenos Aires ARGENTINE NEWS in English 7 Aug 85 p 10

/Text/ Military Intelligence up to new tricks

"Civilian commando groups under orders from the military Intelligence Commands committed the bomb attacks on retired officers' clubs in Córdoba and the raid on a Rosario courthouse in which incriminating documents on the dirty war were stolen." That accusation, coming from anyone other than the former head of the State Intelligence Secretariat (SIDE), would not carry the weight it does.

In an interview with *Argentine News*, Roberto Pena, the lawyer who resigned from the top SIDE post on February 15, didn't pull any punches.

Pena, who publicly revealed the existence of "operating bases" inside the military intelligence community at a press conference last month, told *Argentine News* that these "operating bases" are behind the monthly FAMUS masses, said that organization was linked to the Army, and confirmed that the "operating bases" masterminded the campaign for a "No" vote in last year's Beagle Channel plebiscite as well as other dirty tricks.

He also said that these groups regularly collect clandestine information on political, union and economic affairs. Sitting in his office (he now works as a consultant to a private company), Pena said these operating groups were organized in the military intelligence community in mid-1984.

"They were still operating when I left; I don't want to comment on whether they kept going after I left, because I am not qualified to comment on that," Pena said.

Pena played down the significance of what these groups do, saying it falls mostly into the category of "psychological warfare."

"They place bombs knowing there's no one there. They inflict damage on buildings, but not people," he said.

Even in the field of psychological warfare, Pena said, "(these groups) are lightweights, because they are incompe-

tent." For their campaign against the Beagle Channel treaty, they used the military's printing presses.

Argentine News asked Pena about Defensa Minister Roque Carranza's comment that his accusations against the defense ministry are "vicious" because he waited until after the death of Raúl Borrás to make them public.

Pena said he discussed his plans to reorganize the military intelligence service weekly with Borrás and that "Borrás was basically in agreement with me that the services had to be reorganized under the oversight of the SIDE, but thought it was better to wait to carry out this project."

Pena said that he was only trying to implement the Radical Party's campaign platform, which states that "the intelligence commands of the Armed Forces will carry out specifically military intelligence duties, and must be reorganized according to that end."

He said his experience at the SIDE taught him that "the military services constantly overstep those limits" to engage in domestic political intelligence-gathering.

Pena revealed that in weekly meetings of the National Intelligence Agency (which groups the SIDE, the military intelligence services and the police intelligence service), only the SIDE and the Federal police provided information, while the military services withheld it.

He also said that during his stint at the head of SIDE, he fired more than 500 employees, most of them retired military officers and their relatives.

He said he believed that the current leadership of the military is as committed to the National Security Doctrine as their predecessors, because these men were already officers when that doctrine was put into practice.

Pena said that when he took over the SIDE it was operating at only 20 percent and that he left that organization operating at 70 percent of capacity.

ARGENTINA

COMMENTATOR REPORTS ON ARMED FORCES, GOVERNMENT RELATIONS

Tensions Persist

Buenos Aires LA PRENSA in Spanish 29 Jul 85 p 7

[Commentary by Daniel Lupa]

[Text] Dr Raul Alfonsin will attempt to visit a military unit in the Greater Buenos Aires area between 1 and 15 August. He had intended to do so even before the onset of the new stage in the crisis between the Armed Forces and his administration (over the muddled and as yet unclarified episode involving the document and the documentation sent to the Federal Chamber, which led to the short-cut solution of having General Cerda retire).

His intention to visit a Greater Buenos Aires military unit (an intention is not the same as a decision) arose amid the complex social tensions created by the occupation of the Ford plant.

With the plant takeover becoming a major issue, the Defense Ministry had reportedly asked (ordered?) the appropriate military commanders to determine which urban and suburban communications and public service facilities (water, electric power, telephones, road cloverleafs, etc) had to be protected and with what tactical troops and hardware, in the event that a "social emergency" should arise.

In their response, which was initially evasive and then categorical, several top commanders in the Greater Buenos Aires area told the administration that the commanders and officers felt that unless there was foreign aggression, the routine plans were sufficient and, therefore, that it was a job strictly for the police. Only in the event of outside aggression could an emergency plan be implemented, in which case the Armed Forces staffs had detailed plans. In any event, they hinted that they would not be able to carry out these detailed plans either, owing to the military budget, and that thus the conflict hypotheses approved by the nation's president were faulty. The first part of their reply, in which they responded to the request proper, could be translated into everyday language as follows: "The Armed Forces will not intervene to put down a social conflict, so that what is happening now to the nine commanders of the National Reorganization Process does not happen to them."

Political and Military Report

It was in the wake of this episode, in early July or late June (when it was thought that factory conflicts might spread), that the Defense Ministry began to harbor serious doubts about whether the basic lines of communications between the civilian government and the Armed Forces commanders were working. Although previous episodes demonstrated convincingly that this was definitely a problem, the administration seemed to have reacted constructively only when presented with evidence of a crisis.

It was in the wake of this episode, in late June or early July (when it was thought that the factory conflicts might spread), that the Defense Ministry began to harbor serious doubts about whether the basic lines of communication between the civilian government and the military hierarchy were working. Although previous episodes had demonstrated convincingly that this was a real problem, the administration seemed to have reacted constructively only when presented with evidence of a crisis.

The same sort of confusion that surrounded the episode of the report sent to the Federal Chamber seems to have marked the administration's early perception of the prevailing situation. The Federal Chamber clearly did not question the source of the document and, therefore, regarded it as a legitimate and faithful reflection of the military's true feelings. The defense minister's decision to ask for General Cerda's retirement was thus left up in the air. The prior episode with the commanders in Greater Buenos Aires seems to have exacted a similar political cost, one less well-known but with graver future consequences.

The minister thus apparently decided that the best way to deal with the situation was to order Lieutenant Colonel Sacco, an adjutant of his, to draft a report detailing the opinions of both commanders and subordinate officers in Greater Buenos Aires, their stand on the issue that has brought on the new stage of the crisis (their refusal to identify the spots under their jurisdiction that warrant special protection in the event of social tensions), and their political views and position on the administration's performance.

"They're Not Going to Do the Same Thing to Me"

The order to Lieutenant Colonel Sacco went out before the crisis with the Federal Chamber. It stemmed, in fact, from Alfonsin's intention to visit a military unit in Greater Buenos Aires. As the president was mulling over the possibility of a visit, some were warning him about what he might hear during it. He was even reminded that top commanders heard some quite unpleasant things very recently at the War School and other higher military training institutes when they tried to justify the administration's military policies.

"They're not going to do the same thing to me that they did to General Flores," Raul Alfonsin said in direct connection with the incident

involving the top army staff officer at the War School, an incident that LA PRENSA told its readers about in this column some 3 weeks ago.

The president will wait to see the report that Lieutenant Colonel Sacco is drafting before deciding to visit one of the military units in Greater Buenos Aires. If the circles closest to Dr Alfonsin are to be believed, he will choose between the Third Infantry Regiment in La Tablada and the Eighth Tank Regiment in Magdalena (where there is also a military prison). Circles that are customarily well-informed about military views are wondering whether the president "might just 'slap some shoulders' and cheerfully ignore the underlying problems."

In the next breath they ask whether that sort of approach "will be enough to close the enormous gap that was created by Alfonsin's decree putting the juntas on trial (which is the same as putting the Armed Forces themselves on trial because of the strong team spirit during the battle against subversion).

If until a few weeks ago we were able to understand many of the military's moves and gestures as part of the game of political pressures and counterpressures, the episode with the chamber and certain administration assertions about its early political plans seem to have turned these mere feints at pressure into something more serious, intensified by the episode of General Cerda's retirement and by the "ambiguous exhibition of responsibilities" during it (vox castrense dixit).

Uneasy Relations

Buenos Aires LA PRENSA in Spanish 5 Aug 85 p 7

[Commentary by Daniel Lupa]

[Text] Relations between the military and Dr Alfonsin's administration were marked by two critical issues as the week began. The first has to do with the paychecks of superior, intermediate and subordinate personnel in the Armed Forces. The other, an increasingly critical matter, concerns the aftermath of General Cerda's retirement in the wake of the muddled episode involving the Federal Chamber and the president's office, both of which tried to find a suitable "scapegoat," as LA PRENSA disclosed in this column some 10 days ago.

The marked displeasure that could be seen at all levels of the Armed Forces when the July wages were paid out last Wednesday leaves little doubt as to how important the matter is becoming. Paychecks were 10 to 15 percent smaller than they were in early July; an officer who earned 100 australes had to settle for 85 or, at the most, 90 this time.

The explanation that was given was that the deduction was a "voluntary" contribution to the Army Social Benefits Institute (IOSE), which is said to be running a mounting deficit.

If we bear in mind that the previous month's wages had shortly thereafter been supplemented by the first half of the bonus, the difference this time around was even more noticeable. So, an officer who received 100 australes on 30 June and then some 43 australs a few days later as a half-bonus, will now have to settle for 85 or, at the most, 90 australes to make it to the end of the month.

Late last week the protests and complaints could be heard loudly among all the ranks, except of course from the officers who no longer have anyone to complain to and who were aware of the decision because they were involved in carrying it out.

The fear late last week was that from today on there would be mounting protest, which is usually described somewhat dramatically in the military as more than just minor indiscipline. The superior officers were moving in that direction, and the corresponding ministerial levels were being made aware of it.

The Aftermath of the Document

Meanwhile, the political consequences of General Cerda's retirement have continued to unfold concurrently with this strictly economic issue.

Has his retirement helped to completely divorce Alfonsin as commander in chief of the Armed Forces from the contents of the enormous volume that was submitted to the Federal Chamber? Is he in a better position because the army document jibes with those of the navy and air force, which acknowledge the existence of a war?

At least Gen Rios Erenu seems to have ruled out the possibility that Alfonsin has been divorced from it. The general has also in passing introduced the key idea that General Cerda was not acting alone or conspiring, inasmuch as he reaffirmed that the submitted document bore the corresponding signatures and that the document which the chamber unexpectedly and inexplicably rejected was duly initialed on each page.

According to accounts, Minister Carranza was talking with General Cerda in his office on 17 July and said to Cerda when Dr Jaunarena came in: "So you sent the document to the chamber?" "Yes," the now retired general reportedly replied. "It's the same one that you're familiar with. Did you want to send it?" "No, that wasn't necessary. It's fine this way," Dr Jaunarena allegedly answered, without attaching greater importance to the matter.

Charges and Fantasies

So then, the claim that General Cerda had to retire because he was the center of a "conspiratorial act" that was concealed from the defense minister (a claim supported by the fact that the general was the legal and technical undersecretary of the presidency under Lieutenant General Videla) seems to be merely part of the campaign that government radio and

television stations are engaged in and that certain of the print media have quite naively picked up on.

I say naively because they seem to be overlooking not only the aforementioned episode but also the following facts: that Gen Rios Erenu was also Viola's undersecretary of the presidency and a political affairs adviser to the Army Command in 1979 and 1980; that General Sanchez, an assistant chief of staff and, therefore, second in command to Rios Erenu, was Videla's private secretary in 1977 and undersecretary of public information in 1979; that the commander of the Second Army, General Gorleri, was Videla's aide-de-camp in 1975 and 1976; that the commander of the Third Army, General Verdura, held the same sort of post as the previous commander did in 1976 and 1977; that the commander of the Fourth Army, General Bonifacini, was part of the army political advisory team in 1976 and 1977 and was Videla's speech writer in 1978; that the commander of the Fifth Army, General Caridi, was a political adviser to the army secretariat general in 1978 and 19781; that General Dasso, the current staff logistics commander, was the army's press chief under Viola; that retired Col Tisi Bana, a current military adviser to Dr Alfonsin, was the man who occupied and took over the Congress in 1976 and 1977 and was part of the political team of the army secretary general in 1975 and 1976; and that retired Colonel Lagomarsino, Roque Carranza's current cabinet chief, was deputy police chief in Buenos Aires Province (the chief was Colonel Ricchieri) and also a ranking political officer under Galtieri.

We could add the names of more than a score of other similar military and civilian officials whom this administration has appointed, which casts some doubt on the claims that General Cerda was made a "scapegoat."

Questions for Defense Minister

Buenos Aires LA PRENSA in Spanish 6 Aug 85 p 9

[Commentary by Daniel Lupa]

[Text] As Alfonsin prepares to visit the Eighth Tank Regiment in Magdalena and as the repercussions continue from the small paychecks that the officers received and from General Cerda's retirement, the chiefs of staff of the three branches are allegedly getting some material ready for a detailed conversation with the defense minister about thorny matters relating to the official information services. Interior Undersecretary Dr Raul Galvan cast some doubt a week ago Monday on Alfonsin's visit after LA PRENSA reported on it in this column, as he inexplicably invaded the defense minister's bailiwick, which reportedly prompted Mr Carranza's show of displeasure.

The meeting was arranged after Dr Rossi resigned last Wednesday morning as head of the State Intelligence Service; nothing has been reported officially so far about his resignation, nor do we know whether it has been accepted or rejected. He resigned after the press conference that his predecessor, Dr Pena, gave, but it hardly has to do with him, except as

part of the sequence of events that have been jolting the "secret" and, some say, clandestine inner circle of the military.

What They Might Ask Carranza

When the chiefs of staff meet with the minister, possibly during the first 2 weeks of August, informed circles feel that they could pose a series of formal questions to him to clarify the aim of several policies that have been implemented in the military.

An initial question of theirs might seek to ascertain whether in fact a "task force" was set up in the second half of 1984 to "conduct intelligence work" (jargon for "psychological action" such as collecting confidential information or, in everyday language, spying) in the Armed Forces "to counter the reaction that the administration's military policy is prompting."

They will then want to know whether this "task force" was consolidated in November and whether this consolidation led to coordinated efforts involving the fugitive Guglielminetti and the following individuals: Police Chief Ortiz, from Federal Coordination; Police Chief Abib, from the Federal Police Intelligence Service; Air Force Major Puga, from the branch's Intelligence Service; the head of SIDE [Secretariat for State Intelligence], Dr Rossi, and the undersecretary of the interior, Dr Raul Galvan.

They also want to find out whether this coordination led to the formation of two operative groups, one headed by Guglielminetti, and the other, on orders from Dr Rossi, led by the civilians Lamoglia and Galperin.

They then want to know whether after the death of former Minister Borrás and when the Guglielminetti affair was made public (LA PRENSA readers and the public learned the details from this column more than 2 months ago), both Galperin and Lamoglia were assigned to the Joint Chiefs of Staff but while still serving in the defense minister's adjutancy.

Pescarmona, Guglielminetti

If we go by the most believable accounts that are circulating in the military high commands, the chiefs of staff might ask Carranza about the aftermath of this initial panorama. If they ask the expected questions about more specific charges and if these charges turn out to be true, there could be a serious crisis, not only in the structure of government services but even in relations inside the government itself.

They will reportedly ask whether in fact Major Puga was involved in the negotiations for the release of the industrialist Pescarmona and, to this end, made repeated trips to Uruguay, Brazil and Spain. It was in Spain that Guglielminetti was finally located, though for the time being there is little chance that he will return, until the industrialist is released.

They will also ask whether in fact during the second week of July an order was issued to place the two "telephone interference" exchanges that SIDE has, on 2200 Estados Unidos Street and in the ENTEL [National Telecommunications Enterprise] building itself, under Major Puga at Defense Ministry facilities.

They will also ask whether the report was true that Galperin traveled to the United States in June to inspect a SIDE operations base and to set up what the chiefs of staff of the three branches would call the "tracking" of Argentine military personnel assigned to various services and discharging various functions in the United States.

They also want to know whether it is true (as persistent rumors in Radical circles have it) that this same team (Puga-Galperin-Lamoglia) has "tracked" and gathered "information" about two Radical leaders, one of them the social action secretary, Mr Enrique (Coti) Noziglia, to obtain incriminating evidence to "cover themselves," as military staff files reportedly confirm.

We can readily see that such questions, owing to the range of issues they touch on and individuals they compromise, will require an exhaustive verification of details by the administration, and if these details are borne out, there will be surprise in a wide range of quarters.

For the time being, the fact is that the handling of the military issue by the administration (that is, by the Interior Ministry, which would be deeply implicated if the claims contained in the questions are borne out) could bring on a crisis in internal government relations, as well as a crisis in relations between one sector of government (the strictly political sector, which deals with the intelligence issue) and the military.

It seems obvious that the constant denunciation of the task forces (which so many accounts link to the Interior Ministry itself) as "unemployed manpower" or "extreme rightist groups" will serve to cover the circles that are involved in political matters, thus freeing them from strictly criminal liability and protecting the political sectors that might have availed themselves of these groups. In view of the questions that the chiefs of staff will pose, this matter should receive due public clarification. Otherwise, if the claims are not true, capricious rumors could spread and do damage; and if they are true, the country's stability might be undermined.

Government Destabilization Plot

Buenos Aires LA PRENSA in Spanish 9 Aug 85 p 7

[Commentary by Daniel Lupa]

[Text] The "task force" that the SIDE set up to "conduct counterintelligence" against the unrest in the Armed Forces and that

includes, among others, Dr Raul Galvan, as we reported in this column last Tuesday, has ordered the monitoring of a supposed "Operation 'Pyramid,'" which intermediate-rank military officers are reportedly engaged in "to destabilize Dr Alfonsin's administration."

For the time being, we cannot ascertain whether "Operation Pyramid" really exists or is just a working hypothesis designed as a cover for this phase of the activities that the SIDE task force is pursuing.

Nevertheless, the new "task force" that has been told to monitor the alleged "Operation Pyramid" is now mentioned in the files that the chiefs of staff of the three branches are preparing for their meeting with the defense minister. Gen Rios Erenu reportedly gave them the information, having allegedly gotten it himself in a detailed report from his subordinates.

According to the report, police chief Abib, a member of the SIDE task force along with Dr Galvan, appointed deputy police chief Juan Carlos Moreschi as the general supervisor of "Operation Pyramid." The report adds that Moreschi was the chief of interrogations at the Navy Mechanics School during the war against subversion. Again according to the report, which means that Gen Rios Erenu had full knowledge of the matter, Moreschi in turn appointed a civilian by the name of Pitana to direct "Operation Pyramid" in the field.

This is new material to add to the questions that the chiefs of staff of the three Armed Forces will be asking the defense minister, probably next week.

The Magdalena Tanks

Their meeting will take place after the president visits the Eighth Tank Regiment in Magdalena next Monday, as LA PRENSA reported some 3 weeks ago in this very column.

In view of the presidential visit and given that only 27 of the more than 60 tanks in the regiment were fully operational, the Defense Ministry issued a strict order early this week "to assign top priority to repairing the entire fleet of tanks in the unit." The equipment and the spare parts began rushing in as of Wednesday morning.

The order allegedly forced the military to quickly take stock of its hardware in this sphere; it found that the local fleet came out the loser in a comparison with those of our neighbors.

According to a study conducted by the Center for Defense Research and Studies (CIED), a comparison of tank forces in Argentina, Brazil, Chile, Peru, Paraguay, Uruguay, Bolivia and the United Kingdom reveals marked differences between the first three, which are the countries that we can most readily analyze.

Thus, Brazil has 915 tanks, Argentina 470 and Chile 231. However, half of Argentina's tanks are more than 30 years old. On top of that, according to other, non-CIED sources, the number has to be halved again (i.e. to one-fourth of the total) because of deficient maintenance stemming from budget shortfalls over the past 12 to 15 months.

When the president sees the Magdalena tank unit at full operating strength on Monday morning, he will obviously be getting a quite distorted impression, owing to the "overhaul" operation begun early this week in preparation for his visit. Could the president actually be unaware of this priority order to "overhaul" the tank fleet?

Military Assignments

It will not be until his return from Magdalena next week that the president will have to tackle the problem that has arisen in the infantry over the appointment of unit commanders. That is, unless the defense minister takes care of it beforehand, which seems quite unlikely in light of the information going around in unofficial circles.

The underlying issue is to define the criteria for appointing regiment commanders in that branch. There are two opposing approaches to such decision-making: one is strictly professional, the other manifestly political.

Taking the professional approach, the intermediate commands argue that commanders should be selected on the basis of their merits as officers in accordance with a scale of priorities that includes "their command and combat experience" (in carefully chosen military language).

They feel that the basis for gauging merit should be performance during, first, the fighting in the Malvinas and then in the struggle against subversion.

The other, more utilitarian approach downplays the importance of such experience and attaches top priority to the officers' politics, so as "to avoid resentment in the administration's political sector as a result of their appointment."

The efficiency and, to a degree, the continuity of the Armed Forces seem to be pitted now against the administration's urgent political needs. And this dilemma is having an effect on more than just the military, if we look at what is going on in government...

8743

CSO: 3348/881

CHILE

BACKGROUNDS OF ASSASSINATED COMMUNISTS

Santiago HOY in Spanish 5 Aug 85 pp 16-17

[Text] Jose Manuel Parada Maluenda

Parada had been active in the Communist Party since his youth; he was in charge of propaganda for the Popular Democratic Movement.

After the military coup, he worked for the Pro Peace Committee until its dissolution by government order in 1975. He then went to work at the Church Office of Solidarity, where he displayed "superior loyalty and efficiency," according to this ecclesiastical organization. As the director of the processing and archives Unit--a subdivision of the legal department of the Office--"he was the person who knew the most about the activities of the security groups and organizations," the Church Office spokesmen told HOY. This "made him a special target for their hatred," said the attorneys in their report presented to Canovas.

In the middle of last year, a former agent came to the Church Office of Solidarity (Andres Valenzuela, a member of the FACH [Chilean Air Force], and Parada's involvement was a key factor in his confession and interrogation, both in verifying and processing information. Then, armed with much more detailed information about the group that specialized in persecuting the PC [Communist Party], Parada continued to search for names, places, and relations, with the assistance of Manuel Guerrero. He was engaged in that task at the time of his assassination.

Manuel Guerrero Ceballos

An active member of Communist Youth since his adolescence, Guerrero had been elected president of the Federation of Education Students.

He was a member of the PC's Central Committee in 1976, a year in which three groups of directors were eliminated one after another (some were assassinated and others were arrested and "disappeared"). Guerrero, the sole survivor, was arrested by an anti-PC group in July 1976. He resisted the arrest and was shot and wounded. In circumstances that still remain unclear, he

was turned over to another security organization and his life was spared. He left Chile in December 1976, exchanging his prison sentence for exile.

He returned legally in 1982, and again began to teach at the Latin American School. The PC assigned him to union work and he was elected metropolitan president of the AGECH [Teachers Union of Chile]. At the time of his assassination, he was working with Parada on an investigation of the anti-PC group.

Santiago Nattino Allende

A communist activist, he worked for the party's propaganda apparatus until the military coup. HOY's investigations confirm that "he was very active until 1982," when heart surgery forced him to reduce his activities. It is not clear whether or not he was a member of some of the central committees in 1976 (if so, he would have been the other survivor). In any event, he did handle important jobs in the party's underground apparatus.

PC sources told HOY that "it is quite possible that they may have believed that he was still responsible for propaganda."

7679

CSO: 3348/879

CHILE

PROFESSIONAL GROUPS FORMED DESPITE COLLEGIAL OBJECTIONS

Santiago ERCILLA in Spanish 31 Jul 85 p 10

[Text] Making use of the constitutional protection affording everyone freedom of professional association, three new professional associations recently came to the public's attention, paralleling other already existing associations. One of these, the National College of Attorneys, AG, was founded by a group of attorneys who decided to form this group with "clearly union-oriented" purposes, according to a statement by its directors.

The latest such association was formed last week, when a group of doctors met at the National College of Doctors of Chile, AG, also seeking a union-oriented solution which, in their view, the older college had ignored.

Some time ago the AGECH [Teachers Union of Chile] was founded by a group of teachers who disagreed with the leadership of the College of Teachers.

While the appearance of these new groups has awakened some concern and suspicion, especially within the traditional collegial associations, their existence is quite valid from a judicial and legal point of view. The Political Constitution of 1980 guarantees as one of its basic principles freedom to work and the right to free competition for all persons with no distinctions. Based on this guarantee of individual liberty, the constitutional text prohibited the requirement of an obligatory affiliation with a specific college as a requisite for exercising a profession, as had been the case in the past.

Not only do these principles inspire the Chilean constitution, but they are enshrined in all modern western legislation, as well as in the United Nation's Universal Declaration on Human Rights.

From a legal point of view, there is no basis for complaint against these new colleges. Nonetheless, the older professional groups did not look with favor on this "union competition." This was particularly true of the Medical College, which accused the new association of wanting "to divide the medical family." It even threatened to penalize those professionals affiliated with both organizations.

Dr Alvaro Hidalgo, a director of the new medical group, spoke out in defense of the new association.

He said that it was never his intention to divide the association, but only to resolve its problems: "The only thing we are interested in is developing the union aspect; which has not been handled well, and if we are successful, our work will have been done. The Medical College has ignored the resolution of these problems and has absented itself from the negotiating table, forgetting that problems are worked out by talking with the authorities."

In addition to implementing a working agenda, the leaders of the new association met with Mr Chinchon, the minister of health, to propose a series of measures of interest to this sector. Their proposals included a restudy of the system for awarding specialization fellowships, and the final training of professionals enrolled in the special program for the Expansion of Human Resources for the National Health Services System.

Dr Hidalgo pointed out that any gains made in this area will not help just one group, but will benefit all doctors.

Juan Carlos Esguep, president of the National College of Attorneys, AG, emphasized that the association is seeking to revitalize the fundamental principles of the profession, apart from any philosophical, doctrinal, or political convictions which its members may hold;

"We don't want this union to become a partisan refuge. We want it to be a clearly union-oriented association working for the good of attorneys."

Among its principal objectives, Esguep mentioned the creation of welfare services, the sponsoring of seminars and issuing of legal publications, and obtaining grants, both for professional upgrading of attorneys and for law students with limited resources.

Freedom of association is a universally recognized individual right. The idea will always be that professionals will join organizations which they feel are necessary to meet their interests. To the extent that the aspirations of each of their associates are interpreted correctly, these groups will remain in existence over a period of time.

It is now up to each one to win the prestige that is essential if it is to last.

7679

CSO: 3348/879

CHILE

ASIMET HEAD COMMENTS ON NATIONAL METALLURGICAL INDUSTRY

Santiago ERCILLA in Spanish 24 Jul 85 pp 16-17

[Interview with Gustavo Ramdohr by Andres Adler]

[Text] Gustavo Ramdohr is 59 years old, over 2 meters tall, married and the father of nine children, the president of La Central Investment Company and a member of the boards of directors of Indugas and Soquina. He has just become president of ASIMET [Metallurgical Manufacturers Association]. In this post he succeeds Angel Fantuzzi who, during the past 3 years, imprinted a very personal style in conveying his ideas. "Angel is combative and outgoing. He has an Italian temperament," said Ramdohr, making a tacit mention of his German ancestry, in describing himself as "a calm person with different habits and reactions."

Despite their different personalities, Ramdohr hastened to point out that "this doesn't mean that we are not going to defend our companies' interests with the same forcefulness." He did so in his conversation with ERCILLA, in which he discussed topics ranging from tariffs ("there should be differentiated tariffs") to the renegotiation of the foreign debt, while also touching on inflation, unemployment, and the establishment of a ministry of industries, as well as some other topics.

Question: What issues will you concentrate on?

Answer: In the metallurgical and mechanical industries we have for quite some time been engaged in a struggle that we still have not managed to resolve successfully--differentiated tariffs.

Question: What does that mean?

We feel that differentiated tariffs should exist, to a large extent to protect labor by protecting manufacturing companies that are unable to compete with products coming from abroad. In most cases these foreign products are strongly supported or subsidized by their countries of origin, and as a result, their prices are much lower than production costs in Chile.

Question: The minister of the economy claims that the fact that tariffs are maintained at a level of about 20 percent permits differentiation through the application of surcharges.

Answer: He is right that the tariff rate at this moment is not just 20 percent. There are situations, as with bilateral agreements, in which tariff reductions are granted, and advantages are given by law 1,226 for the import of capital goods, as there is certainly no tariff when machinery is to be purchased and a large part of its production will be used for exports...

Question: But there are also surcharges...

Answer: That is something obtained through the Central Bank upon the presentation of fairly complicated documentation that only large companies can provide. Small and mid-sized businesses are totally unable to present such documentation, as it requires them to prove that dumping is going on in the country of origin.

Question: Can't business associations like ASIMET help their members with such proceedings?

Answer: Yes, they can give some assistance. But this is a very expensive study. I have to show that in the country of origin the government uses a formula to give exporters a subsidy.

Question: What do you propose in order to improve the system for applying these surcharges?

Answer: We believe that a surcharge should be levied when dumping is proved, but we think that the government should be the one to prove its existence. The government does have a network of resources available in all countries. A company would simply have to inform the Central Bank that there is an abnormal price situation, and the government would then determine whether or not dumping is going on.

Question: Aside from this situation, are you satisfied with the surcharge system?

Answer: Surcharges do have one enormous disadvantage: they are in effect for 6 months. No one can work with certainty not knowing if the government will again be willing to apply the surcharge, or if he will once more have to present a highly detailed study...

Question: Why don't you like parity tariffs?

Answer: It has been clearly shown that parity and lower tariffs cause great damage. The counterpart of that is to consider a differentiated tariff giving definite protection to specific industries...

Question: Why should they be protected?

Answer: Well, if you really want to export, that industry needs a market to sustain it. If it doesn't have a domestic support market, it can't run the risk of producing just for the external market. This is done through a differentiated tariff. All countries do this. We are the exception, and I don't understand the reason behind that policy.

Question: Does it seem right to you for the tariff to be set by law, as the minister of the economy recently announced?

Answer: Doing things by law is a cumbersome procedure, in the sense that it requires a specific period of time to be approved. There are times when a differentiated tariff is needed right away, at a given moment. The tariff change has to be dynamic. I believe that in the long run this will work to the serious detriment of the differentiated tariff.

Question: Do you feel there are clear rules for business activities in your sector?

Answer: I would say there are clear rules and unclear rules.

Question: For example...

Answer: Some time ago, people who owed debts in dollars were allowed to renegotiate with a given number of years grace period and for certain terms, and this was considered a sort of preferential dollar subsidy, if we can really call it that. Later on, a new provision came in saying: "Now the preferential dollar is over and done with and the terms will only be 18 months."

Question: Do you feel that the preferential dollar was not a subsidy?

Answer: The preferential dollar system provides compensation to businessmen and manufacturers who at some time were told that they should contract debts in dollars, because the dollar would never change. And for 3 years it did stay pegged at the same level. The businessman did not make that decision; the government authorities did. I find it unfair to speak of the preferential dollar system as a subsidy, but it is a subsidy that the government granted through an error in its economic policy. Taking it away may have a very important impact in the future.

Question: Where do you see any continuity in the rules of the game?

Answer: I find continuity right now in terms of measures restricting domestic demand through a reduction in readjustments in both the liabilities and the assets sectors. I see that there is continuity in the sense that

there is a commitment, a specific term with the IMF, during which we will be forced to have a deficit of a certain magnitude which will be required to decrease every day. Those are clear rules of the game, but I don't see them as being favorable.

Question: Since you mentioned the IMF, are you satisfied with the terms set in principle for the agreement renegotiating the foreign debt?

Answer: We believe that having renegotiated for a period longer than 1 year is a step in the right direction. It isn't possible that year after year a country's top economic officials should have to spend 6 months every year in discussions about how the debt is to be paid. I believe that obtaining longer terms is an important move forward. The decline in interest rates also seems to be a positive step to us. It isn't fair for the world economic leaders, in this case the IMF and the World Bank, to be lending to a country for 6 months and then at the last minute to sign an agreement. I believe that this could create explosive situations in the future if negotiations continue to be handled in this manner.

Question: What is your prognosis for the current year?

Answer: I would say that we are going to see a decline in the second half of the year, and we think that the year may end with a zero growth rate...

Question: So you disagree with the minister of the economy, who predicted a growth in the PGB [Gross Geographic Product] between 2 and 4 percent?

Answer: I think that the minister, Mr Collados, has to say that the nation's growth will be 2 to 4 percent. For if the government officials already admit that the nation is not going to grow, the topic for discussion would become much more serious. He couldn't talk about a profound discrepancy. I believe that this is a different way of issuing projections for the future.

Question: What about unemployment?

Answer: The truth is that we believe we have made some fairly good progress with unemployment recently. The statistics which the minister gave about the growth in jobs are correct. The growth in jobs was due basically to the fact that greater protection was provided for some sectors. I respect this protection, and I think it is a good thing.

Question: In what cases, specifically?

Answer: As an example, there was fairly good protection for agriculture, which had an excellent year, and with luck things may continue in that direction.

Question: What protection are you referring to?

Answer: Well, in the case of wheat and milk, if there had been no price ranges, production would have dropped sharply.

Question: And what sort of protection do you want for your sector?

Answer: A differentiated tariff that will allow us to produce some manufactured goods in tranquility.

Question: What is your projection about inflation?

Answer: I believe it will be difficult for inflation to be down to a level of 30 percent by the end of the year. I see it closer to 35 percent, unless our fears of a decline in demand become a reality. In that case, inflation would be significantly lower at the end of the year.

Question: Before becoming president of ASIMET, you headed ASEXMA [Association of Exporters of Manufactured Goods]. Does the package designed to stimulate exports that was recently announced seem sufficient to you?

Answer: The package seems splendid to me. I believe that one of the good things about this package is that they were able to take an idea that had been floating about in the environment and in the minds of our economic leaders for quite a few months and make it a reality. I think we have to applaud the fact that they were able to decide on some support for exports. And there are some rather good specific measures.

Question: Some years ago, ASIMET proposed the creation of a ministry of industries. Do you still support that idea?

Answer: Yes. The existence of the ministry of mines has enabled small copper ore producers to keep working during periods of crisis, through price supports. That was done through pressure brought by a minister seated on the council of ministers. The minister of agriculture has done some brilliant work. He has gotten his sector out of a totally depressed situation and has restored to it the importance that it had in the past. We industrialists consider our sector to be somewhat forsaken.

Question: So you could understand the comment made by your predecessor that there were no representatives of your sector inside the government to apply pressure?

Answer: Sure. A ministry of industry would give our sector a place to express its thoughts, a place where we could be heard properly.

Question: Can you give us an x-ray view of your sector right now?

Answer: An x-ray right now would show a sector that provides 60 percent of our jobs, as it has done for years. But just recently, about 400 businesses in the metallurgical and mechanical industries closed.

Question: What do you suggest?

Answer: I wouldn't want to seem too demanding about the way out, but I do believe that a differentiated tariff would help many sectors. I think one very important thing is a reorganization of our debt, which would have to deal with terms, readjustments, and interest rates.

7679

CSO: 3348/879

COLOMBIA

1986 PROPOSED BUDGET TOTALS COMPARED TO 1985 FIGURES

Bogota EL SIGLO in Spanish 29 Jul 85 p 9

[Article by Arturo Menendez Vall-Serra]

[Text] Pursuant to constitutional provisions, today the government will deliver to the Congress of the Republic the proposed 1986 budget for the central administration. As in earlier years, the specific amounts are the least important thing, since they undergo substantial changes during the budget year. By the end of the year the results are surprisingly different from the original projections, thanks to the additions made by Congress and the government through legislation or special decrees, as the case may be. Thus, what matters is not the substance of the draft budget, but rather the fact that it has been delivered on time, no later than 10 days after the opening of the regular congressional session. The budget must also be balanced in terms of revenues and outlays, so everyone is aware that allocations are short, and that the funds the government is estimated to have available are inflated or deflated.

As in the present budget year, it is known in advance that next year there will be shortfalls in the allocations for items such as the wage adjustments for employees of the central sector of the public administration. There will also be a shortage of funds to service the debt.

For this reason, the bill passed by Congress is only the beginning. It constitutes mere legal support for what will become an economic reality as the budget is actually executed.

Except for the laws that prescribe expenditures and serve as the basis for setting the amounts in question, the initial draft contains only figures corresponding to general commitments that must be met once the budget year begins so that the government does not get caught short, unable to carry out projects, pay wages or service the debt.

Then come all the adjustments, and the additions necessary to fill a hole here or there are made, always maintaining a balance between spending and revenues. Thus, credits and contra credits are made and budget items are transferred so that the state apparatus can continue to function, generally sacrificing investment.

Compared Budgets

Comparing national budgets from one year to the next is like comparing apples and oranges.

The lack of planning means that one year a public works project may receive funding and the next year it may not, or that beginning one project may require that others be abandoned, or that the government may fall behind in its obligations to contractors and even public agencies, as in the case of the benefit funds. Over a period of time, this lack of planning leads to sudden stops and starts and the uncontrolled growth of some items that take government officials by surprise.

Except for the payment of wages and normal operating costs, which can be projected to a certain extent, all spending depends on whatever money is available in the budget.

The very rigidity of the national budget means that the impact of the budget proposal on the economy throughout the year in question cannot be precisely determined.

After the budget is executed, it becomes a document that is used to evaluate the results of the administration and the economy. It could hardly be considered a spur to development, given the surprises that occur during its execution.

Projects may be interrupted or new projects begun; teachers' salaries or transfers to the different sectors may be delayed; or special requests may be made to the Bank of the Republic to float new issuances or expand its regular ones to solve liquidity problems.

The cost to the country of the budgetary chaos that results from delayed projects, teacher strikes, deficiencies in health services, and so on, far exceeds the budget deficits of recent years. Thus, the submission and balancing of the draft budget is just a legal fiction.

For purely informational purposes, the tables here show the 1985 budget that was initially passed by Congress, and what will most likely be approved for the 1986 budget. The differences between the two go from one extreme to the other, and show no stable trend in the growth of spending, especially operational spending. Investment by nature is subject to abrupt changes, and after government revenues are added up, it usually gets whatever is left after operational costs and the debt service are calculated.

Initial 1985 Budget and Initial 1986 Budget Proposal
(in pesos, x 1,000)

ORGANISMO (1)	TOTAL 85	TOTAL (2)	DIFERENCIA (3)	VARIA- CION %
CONGRESO (4)	4,875,103	5,829,980	954,877	19.58
CONTRALORIA (5)	6,175,775	7,048,557	872,782	14.13
PRESIDENCIA (6)	1,235,991	3,304,390	2,068,399	167.34
D.N.P. (7)	2,305,108	3,377,839	1,072,731	46.53
D.A.N.E. (8)	1,088,476	1,459,686	371,210	34.10
D.A.S.C. (9)	198,143	330,681	132,538	66.89
D.A.S. (10)	2,522,467	3,008,164	485,697	19.25
D.A.A.C. (11)	3,725,865	4,084,660	358,795	9.62
D.A.I.N.C.O. (12)	334,858	703,920	369,062	110.21
D.A.N.C.O.P. (13)	256,939	380,663	123,724	48.15
GOBIERNO (14)	877,057	791,825	-85,232	-9.71
RELACIONES (15)	3,250,262	5,197,397	1,947,135	59.90
JUSTICIA (16)	4,219,974	6,422,572	2,202,598	52.19
HACIENDA (17)	56,742,998	76,481,708	19,738,710	34.78
DEFENSA (18)	25,346,200	45,653,908	20,307,708	80.12
POLICIA NAL. (19)	23,378,600	34,807,350	11,428,750	48.88
AGRICULTURA (20)	10,874,124	18,633,401	7,759,277	71.35
TRABAJO (21)	7,253,113	10,170,453	2,915,340	40.18
SALUD (22)	21,781,474	34,256,195	12,474,721	57.27
DESARROLLO (23)	22,210,081	31,276,437	9,066,356	40.82
MINAS (24)	2,598,810	10,022,044	7,423,234	285.63
EDUCACION (25)	81,628,010	105,132,953	23,504,943	28.79
COMUNICACIONES (26)	1,415,578	2,644,532	1,228,954	86.81
OBRAS PUBLICAS (27)	35,308,059	42,135,978	6,827,919	19.33
REGISTRADURIA (28)	2,657,183	3,580,402	923,219	34.74
R.JURISDICCIONAL (29)	14,890,827	19,110,266	2,219,439	14.89
PROCURADURIA (30)	3,177,522	3,498,998	321,476	10.11
SERVICIO DEUDA (31)	113,073,432	130,977,076	17,903,644	15.83

Key:

- | | |
|---|-----------------------------|
| 1. Agency | 15. Relations |
| 2. Difference | 16. Justice |
| 3. Change | 17. Finance |
| 4. Congress | 18. Defense |
| 5. Comptroller's Office | 19. National Police |
| 6. President's Office | 20. Agriculture |
| 7. National Department of Planning | 21. Labor |
| 8. National Administrative Department of Statistics | 22. Health |
| 9. Administrative Department of Civil Service | 23. Development |
| 10. Administrative Department of Security | 24. Mines |
| 11. Civil Aeronautics Administrative Directorate | 25. Education |
| 12. DAINCO | 26. Communications |
| 13. DANCOP | 27. Public Works |
| 14. Government | 28. Registry |
| | 29. Jurisdictional Reg. |
| | 30. Attorney General's Off. |
| | 31. Debt Service |

Total Budget: The national budget is still legally valid but economically uncertain, based on a balance between revenues and outlays. Thus, everyone recognizes that there are shortfalls in allocations, which will amount to 120 billion to 150 billion pesos in 1986.

Initial 1985 Investment Budget and 1986 Investment Budget Proposal
(in pesos, x 1,000)

ORGANISMO (1)	INVERSION (2) 85	INVERSION (3) 86	DIFERENCIA (4)	VARIACION %
CONGRESO (5)				
CONTRALORIA (6)				
PRESIDENCIA (7)	726.800	2.587.790	1.860.990	25.60
D.N.P. (8)	1.839.800	2.850.000	1.010.200	54.90
D.A.N.E. (9)	268.000	500.000	232.000	86.56
D.A.S.C. (10)		100.000	100.000	100.00
D.A.S. (11)	200.00		200.000	-100.00
D.A.A.C. (12)	551.000	567.959	16.959	3.07
D.A.I.N.C.O. (13)	78.000	400.000	322.000	412.82
D.A.N.C.O.P. (14)		75.000	75.000	100.00
GOBIERNO (15)	490.274	350.000	-140.274	-28.61
RELACIONES (16)		30.000	30.000	100.00
JUSTICIA (17)	500.000	900.000	400.000	80.00
HACIENDA (18)	4.002.441	7.847.500	3.845.059	96.00
DEFENSA (19)	1.622.000	12.991.352	11.369.352	700.00
POLICIA NAL. (20)	3.000	685.428	685.128	22.837.00
AGRICULTURA (21)	8.004.429	14.761.100	6.756.671	84.41
TRABAJO (22)	20.000	394.126	374.126	1.870.00
SALUD (23)	2.919.990	9.262.000	6.342.010	217.199
DESARROLLO (24)	17.149.300	25.798.095	8.648.795	50.43
MINAS (25)	2.096.810	9.439.400	7.342.590	350.17
EDUCACION (26)	3.645.640	6.080.000	2.434.360	66.77
COMUNICACIONES (27)	183.300	517.760	334.460	182.46
OBRAS PUBLICAS (28)	33.987.420	40.633.400	6.645.980	19.55
REGISTRADURIA (29)		100.000	100.000	100.00
R.JURISDICCIONAL (30)		900.000	900.000	100.00
PROCURADURIA (31)		100.000	100.000	100.00

Key:

- | | |
|---|-----------------------------|
| 1. Agency | 16. Relations |
| 2. Investment | 17. Justice |
| 3. Difference | 18. Finance |
| 4. Change | 19. Defense |
| 5. Congress | 20. National Police |
| 6. Comptroller's Office | 21. Agriculture |
| 7. President's Office | 22. Labor |
| 8. National Department of Planning | 23. Health |
| 9. National Administrative Department of Statistics | 24. Development |
| 10. Administrative Department of Civil Service | 25. Mines |
| 11. Administrative Department of Security | 26. Education |
| 12. Civil Aeronautics Administrative Directorate | 27. Communications |
| 13. DAINCO | 28. Public Works |
| 14. DANCOP | 29. Registry |
| 15. Government | 30. Jurisdictional Reg. |
| | 31. Attorney General's Off. |

Investment: Comparing the initial 1985 budget with the 1986 budget proposal reveals significant changes in the investments in some state agencies. It should be noted, however, that because of the budget additions that are made during the budget year, these major differences from one year to the next are substantially reduced.

Initial 1985 Operational Budget and 1986 Operational Budget Proposal
(in pesos, x 1,000)

ORGANISMO (1)	(2) FUNCIONA- MIENTO 85	FUNCIONA- MIENTO 86	(3) DIFERENCIA	(4) VARIA- CION %
CONGRESO (5)	4.875.103	5.829.980	954.877	19.58
CONTRALORIA (6)	6.175.775	7.048.557	872.782	14.13
PRESIDENCIA (7)	509.191	716.600	207.409	40.73
D.N.P. (8)	465.308	527.839	62.531	13.43
D.A.N.E. (9)	820.476	959.686	139.210	16.96
D.A.S.C. (10)	198.143	230.681	32.538	16.42
D.A.S. (11)	2.322.467	3.008.164	685.697	29.52
D.A.A.C. (12)	3.174.865	3.516.701	341.836	10.76
D.A.I.N.C.O. (13)	256.858	303.920	47.062	18.32
D.A.N.C.O.P. (14)	256.939	305.663	48.724	18.96
GOBIERNO (15)	386.783	441.825	55.042	14.23
RELACIONES (16)	3.250.262	5.167.397	1.917.135	58.98
JUSTICIA (17)	3.719.974	5.522.572	1.802.598	48.45
HACIENDA (18)	52.740.557	68.634.208	15.893.651	30.13
DEFENSA (19)	23.724.200	32.662.556	8.938.356	37.67
POLICIA NAL. (20)	23.375.600	34.121.922	10.746.322	45.97
AGRICULTURA (21)	2.869.695	3.872.301	1.002.606	34.93
TRABAJO (22)	7.233.113	9.776.329	2.543.216	35.16
SALUD (23)	18.861.484	24.994.195	6.132.711	32.59
DESARROLLO (24)	5.060.781	5.478.342	417.561	8.25
MINAS (25)	502.900	582.644	80.644	16.06
EDUCACION (26)	77.982.370	99.052.953	21.070.583	27.01
COMUNICACIONES (27)	1.232.279	2.126.772	894.493	72.58
OBRAS PUBLICAS (28)	1.320.639	1.502.578	181.939	13.77
REGISTRADURIA (29)	2.657.183	3.480.402	823.219	30.98
R.JURISDICCIONAL (30)	14.890.827	16.210.266	1.319.439	8.86
PROCURADURIA (31)	3.177.522	3.398.998	221.476	6.98
SERVICIO DEUDA (32)	113.073.432	130.977.076	17.903.644	15.83

Key:

- | | |
|---|-----------------------------|
| 1. Agency | 16. Relations |
| 2. Operations | 17. Justice |
| 3. Difference | 18. Finance |
| 4. Change | 19. Defense |
| 5. Congress | 20. National Police |
| 6. Comptroller's Office | 21. Agriculture |
| 7. President's Office | 22. Labor |
| 8. National Department of Planning | 23. Health |
| 9. National Administrative Department of Statistics | 24. Development |
| 10. Administrative Department of Civil Service | 25. Mines |
| 11. Administrative Department of Security | 26. Education |
| 12. Civil Aeronautics Administrative Directorate | 27. Communications |
| 13. DAINCO | 28. Public Works |
| 14. DANCOP | 29. Registry |
| 15. Government | 30. Jurisdictional Reg. |
| | 31. Attorney General's Off. |
| | 32. Debt Service |

Operations: Operational expenditures ended up as transfers from the central administration to the public establishments and to some sectors such as education; this accounts for much of the national budget. Justice, the most important public service the government must render (and which does not work in Colombia), is expected to take the greatest beating once again in the projected national budget for next year.

Nation's Current Revenues 1984-1986 - Collections
(billions of pesos)

(1) Concepto	1984	1985	Δ%	1986	Δ%
1. Ingresos Tributarios (2)	303.7	425.6	40.1	536.5	26.1
1.1. Impuesto a la Renta y Complementarios (3)	121.0	145.3	20.0	172.2	18.5
1.2 Aduanas y Recargos (4)	40.5	52.3	29.1	72.3	38.2
1.3 Ad-valorem 2.5% al café (5)	2.7	5.0	85.2	6.4	28.0
1.4 Ad-valorem 4.0% al café (6)	5.8	8.0	37.9	10.2	27.5
1.5 CIF 2% a las importaciones (7)	2.9	6.5	NC.	10.1	55.4
1.6 CIF 8% a las importaciones (8)	-	22.2	-	36.6	64.8
1.7 Impuesto a las Ventas (9)	88.1	128.5	45.8	165.8	29.0
-(DIN) Recaudo Impuestos Nacionales (10)	62.3	92.0	47.7	113.7	23.6
-(DGA)- Recaudo Aduana Nacional (11)	25.8	36.5	41.5	52.1	42.7
1.8 Ad-valorem a la Gasolina y Acpm (12)	30.6	40.0	30.7	41.0	2.5
1.9 Timbre Nacional (13)	10.7	16.0	49.5	19.2	20.0
1.10 5% Proturismo (14)	1.1	1.3	18.2	1.4	7.7
1.11 Impuesto salidas al exterior (15)	0.3	0.5	42.8	0.6	20.0
1.12 Gravamen 16 Exhibic. Cinematográf. (16)	-	-	-	0.7	-
2. Ingresos no Tributarios (17)	13.7	39.7	NC.	57.1	43.8
TOTAL INGRESOS CORRIENTES (1+2) (18)	317.4	465.3	46.5	593.6	27.6

Key:

- | | |
|---|------------------------------|
| 1. Category | 11. DGA [expansion unknown] |
| 2. Tax Revenues | National Customs Collect. |
| 3. Income Tax and Complementary Taxes | 12. Gasoline and ACPM Value- |
| 4. Customs Tariffs and Surcharges | Added Tax |
| 5. 2.5% Value-Added Tax on Coffee | 13. National Stamp |
| 6. 4.0% Value-Added Tax on Coffee | 14. 5% Pro-Tourism |
| 7. 2% CIF Tax on Imports | 15. Departure Abroad Tax |
| 8. 8% CIF Tax on imports | 16. Film Exhib. Tax 16 |
| 9. Sales Tax | 17. Non-Tributary Taxes |
| 10. National Tax Department Collections of National Taxes | 18. Total Current Revenues |

Revenues: With the reopening of imports, the government hopes to earn substantially more from Colombia's foreign trade. A high rate of devaluation is expected to provide additional help. In the calculation of revenues for the 1986 budget year, taxes from the foreign sector are expected to provide the biggest boost.

8926

CS0: 3348/886

COLOMBIA

INDUSTRIALISTS DEPLORE GOVERNMENTAL ECONOMIC POLICIES

Bogota EL TIEMPO in Spanish 3 Aug 85 p 6-B

[Article by Carlos Pineros]

[Text] The National Association of Industrialists (ANDI) yesterday called for clear and stable policies and planning as a means to emerge from the "bind we are in" as a result of high inflation, uncertainty, unemployment, disinvestment, the loss of business momentum and the deterioration of wages and income.

ANDI President Fabio Echeverri Correa observed that the country is approaching "incredible situations, such as having to import our native-grown food," and urged that the habitual "morphine shots that dull the pain but do not cure the disease" be discontinued.

He criticized inconsistencies in public administration, noting that regulations are imposed that impede the export sector from exercising a leadership role in economic policy. He added that with the extension of withholding at the source, "we have all become employees of the tax collector."

He said that if the government had provided adequate guidance for the production of just four different food categories, it could have prevented inflation from taking off. His projections indicate that it will soar to 30 percent in 1985, while the Gross Domestic Product will grow by only 2.5 percent.

The business leader expressed skepticism about the assertion that these cycles improve Colombia's image.

"Lucho Herrera and others have a good image; the country does not," he said, recalling that the image of drug trafficking remains, while the instability of economic regulations scare off foreign investors. He also noted that the lack of security and many other problems that promote uncertainty are still prevalent.

Speaking at a press conference, he objected to the idea of the Comptroller's Office extending its jurisdiction to the private sector in overseeing the public funds that are derived from withholding at the source. He remarked that this would put up even more stumbling blocks against general activities.

He expressed regret that the trade associations have been excluded from the Liberal Congress, and pledged that they will support the peace process "to the extent that the law is enforced equally for everyone." He labeled "strange, curious, weird" the efforts by Liberal Senator Luis Carlos Galan Sarmiento to rise above party lines.

Echeverri Correa spoke of "public agencies that live on speculation," and referred to imports by the Agricultural-Livestock Marketing Institute (IDEMA). Incidentally, he called for measures to guarantee food supplies in order to avert more serious social disturbances.

In his opinion, unemployment is the worst problem plaguing Colombia. This problem, in addition to inflation, the devaluation, and social unrest, "will be crucial issues that the private and public sectors must watch very carefully so that the country's objectives can be met."

The Antioquian economist stated that the negotiations with the International Monetary Fund (IMF) and other international organizations distracted attention from urgent problems. Worse yet, he noted, these transactions led to "the same old thing" in terms of the economic adjustment program with monitoring or with a contingency commitment or stand-by credit from the IMF. As long as this plan is in effect, he warned, it will be difficult to regain demand, boost production and alleviate unemployment.

With regard to the accusations by merchants that customs officials are charging "illegal tariffs" and that officials are cheating, Echeverri Correa pointed out that "we industrialists have had satisfactory relations," and emphasized the receptive attitude of the General Customs Office.

While the merchants have constantly complained about the family compensation funds, particularly because they consider them as commercial competition, the president of ANDI called these funds "excellent."

Once again, he insisted that the intervention in Avianca by the Attorney General's Office was based on "repealed regulations," and reiterated that such actions should be left to the Superintendency of Corporations.

As long as there is no foreign investment, business profits, public investment in infrastructure or security, he warned, there will be no means of bringing down unemployment, which at 14.2 percent of the workforce is the highest in 50 years.

He repeated that the "absolute lack of policies" has forced the country to import corn, beans, sesame seeds, and cooking oil to make Colombian dishes. He cited this situation as an example of the chaos and improvisation that prevail, and the lack of planning and clear and reliable regulations.

Colombia has become "a bridge country," he stated with reference to moving holidays to Mondays. He also said that the raise in employee-employer contributions to Social Security is a good idea if we are to have enough resources to cover future retirement pensions.

Echeverri Correa announced that presidential candidates Alvaro Gomez Hurtado, Virgilio Barco Vargas and Luis Carlos Galan Sarmiento will attend the ANDI assembly that will take place 19 and 20 September in Cartagena. There they will be asked to outline the general economic program they would pursue if elected president.

Quarterly Report

The industrial leader called the press conference in connection with the release of the economic report for the first 3 months of the year. The report states that the acceleration of the devaluation caused "discontent without clear benefits for any area of the economy." The quarter was characterized by "uncertainty," according to Echeverri Correa.

He indicated that the negotiations with the international organizations "rarefied the atmosphere." The compromises about higher inflation, interest rates and gasoline prices, the elimination of subsidies, the deregulation of imports, and exchange and monetary policy "were like a slap in the face to this country. No one could understand how the economic and social effects of an adjustment program of this type could be accepted."

The results "are not exactly the most promising in such touchy areas as employment, social tranquility, inflation, savings and investment," and there must certainly be alternatives for achieving the adjustment plan's objectives without so much sacrifice, stated the ANDI document.

Of 28 industrial sectors, 20 yielded favorable results in the first 3 months of the year. There was bad news for commerce and construction, however. In March, 97 percent of industrialists polled stated that the situation was fair to bad.

The report concluded that the prospects for unemployment are "discouraging," and that the government "took the teeth out of" inflation controls. Predictions for the second half of the year "are more encouraging" for industry.

The industrial association questioned whether the government is "really committed to assigning a leadership role to the export sector," since it eliminated subsidies, soft credits and tax support.

8926
CSO: 3348/886

COLOMBIA

BIDS FOR OIL PIPELINE CONSTRUCTION SOLICITED

Bogota EL TIEMPO in Spanish 2 Aug 85 p 8-D

[Text] The Colombian Petroleum Enterprise (ECOPETROL) has called for international public bidding on the construction of the Llanos Orientales central oil pipeline, which will transport 60,000 barrels of petroleum per day beginning next year.

This pipeline goes from Araguaneý (Casanare) and Yopal (Meta) to Velasquez, in the department of Boyaca, where it connects with the central network that leads to the refinery in Barrancabermeja.

The construction of the pipeline is considered to be of the utmost importance in the country's petroleum development, since it will streamline the transportation of crude oil from Los Llanos to the refining centers, and will thus contribute to domestic production and self-sufficiency.

The section that will be opened for international bidding on the 29th of this month is 270 kilometers long and runs from San Cayetano to Velasquez. Its projected cost is 5.2 billion pesos, and construction is expected to take 18 months.

The total cost of the pipeline, including the sections that run from San Cayetano to Apiay and Araguaneý, will be US \$150 million, according to ECO-PETROL figures.

This pipeline is next in importance after the one being built between Cano Limon and Rio Zulia, and the one that will later be built between Zulia and Covenas on the Caribbean coast. The latter two will transport crude from Cano Limon.

The transport capacity of the central pipeline of Los Llanos can be expanded to pump 100,000 barrels per day if circumstances so require in the future.

ECOPETROL reported that the practice of awarding bonuses to contractors if they complete the work early or on time has been approved for this pipeline. At present, the sections between Araguaneý and San Cayetano (84 kilometers) and between Apiay and San Cayetano (143 kilometers) are under construction.

The project calls for six stations and storage tanks at four sites.

Losses

ECOPETROL President Alfredo Carvajal Sinisterra stated that the enterprise may lose as much as 40 billion pesos by the end of this year due to the decline in the prices of the fuel oil it exports, the devaluation of the peso and other factors.

COLOMBIA

BRIEFS

CREDIT FOR FLOWER GROWERS--The national government opened a line of credit amounting to 400 million pesos to stimulate flower growing in Cauca. The new credit line is part of a series of special measures designed to boost exports in this sector. These special lines of credit provide favorable terms for farmers and businessmen interested in raising carnations, pompons and roses. The line of credit was opened by the Export Promotion Fund in view of the development circumstances of that region of the country. [Text] [Bogota EL TIEMPO in Spanish 2 Aug 85 p 4-B] 8926

CSO: 3348/886

DOMINICA

CHARLES CITES AIMS OF ECONOMIC AID ACCORD WITH EEC

FL032210 Bridgetown CANA in English 1909 GMT 3 Aug 85

[Text] Roseau, 3 Aug--Dominica is to receive EC11 million dollars from the European Economic Community (EEC) under Lome III, the trade and aid pact between the community and the African, Caribbean and Pacific (ACP) group of states.

An agreement providing for the financial assistance to Dominica was signed here between Prime Minister Eugenia Charles and EEC representative Michel Hauswirth.

Hauswirth, the deputy director-general for development in the European Commission, heads a four-member delegation which includes a representative of the European Investment Bank, now on a programming mission to the Windward Islands.

During the signing ceremony, Prime Minister Eugenia Charles said most of the money will be used for agriculture. I think in many ways the (EEC) programme has been very advantageous to us and I look forward to a very good relationship under Lome III, the prime minister said. Delegation head Hauswirth regarded the agreement as a very good indicative programme.

He said he agreed with the government in its decision to utilise most of the money for agricultural development, and promised to do all that is possible to help in the development of Dominica.

During the delegation's stay here, discussions were held with the Dominica Government on the aid programme, and the EEC programme under the previous conventions were reviewed.

The meetings also examined ways and means of ensuring efficient and timely implementation of the Third Lome Convention.

A release after the visit said the delegation defined the development of agriculture and tourism as the focus of their cooperation.

It said 75 percent of the grant was reserved for upgrading the country's feeder road system with the aim of improving access to existing or new areas of agricultural production and tourism.

GRENADA

NOEL NEW SENATE LEADER OF GOVERNMENT BUSINESS

FL291401 Bridgetown CANA in English 2132 GMT 28 Jul 85

[Text] St Georges, 28 Jul--The seven-month old Grenada Government has appointed Junior Minister Norton Noel as leader of government business in the Senate, replacing another junior minister, senior officials reported today.

As leader of the upper house, Noel, who is junior minister for labour and local government, replaces Bennet Andrews, the junior minister for information and broadcasting for the past seven months.

No official reason was given for the change.

Prime Minister Herbert Blaize recently reshuffled the junior ministerial set-up.

Informed sources told CANA that the government was also planning to rotate the acting prime ministerial duties among cabinet ministers when Prime Minister Blaize is on overseas business. Legal and External Affairs Minister Ben Jones acted as prime minister on the last four occasions Blaize was out of the island.

CSO: 3298/943

GRENADA

GOVERNMENT SUBMITS PROJECTS FOR POSSIBLE EEC FUNDING

FL302250 Bridgetown CANA in English 2058 GMT 30 Jul 85

[Text] St Georges, 30 Jul--External Affairs Minister Ben Jones says his government has put forward a number of sub-regional and regional programmes for funding by the European Economic Community (EEC).

Jones told reporters that the package was put forward during a four-day visit which ended yesterday by a team of officials from the EEC to discuss with government officials the islands' allocation of EC10 million dollars (one EC dollar: 37 cents U.S.) under the Third Lome Convention.

Some of the projects are aimed at the development of maritime and air communications between neighboring islands, including airport and port improvements, as well as improvement of sub-regional education and training facilities, particularly in the field of middle level and vocational.

Others deal with the strengthening of trade and tourism promotion, improvement of applied agricultural research and marketing facilities with a view to assisting the Windward Islands in their efforts to diversify production, and development of the fishing industry.

He said that the EEC representatives indicated that an amount of 145 million dollars could be considered as a basis for stepping up regional cooperation in the Caribbean sub-region and for the preparatory work on these programmes.

CSO: 3298/943

GRENADA

CONCERN VOICED OVER ILLEGAL DEVELOPMENT OF SOME LAND

Port-of-Spain TRINIDAD GUARDIAN in English 7 Aug 85 p 7

[Text]

**ST. GEORGE'S, Tues.,
(Cana):**

TWO Grenada Government agencies have expressed grave concern over what they say is the continuing illegal property development taking place throughout the country.

According to the Government Gazette, the Land Development Control Authority (LDCA) has compiled a list of illegal developments together with the names of owners and developers who contravene the law and the authority intends to take strong action against violators.

The Physical Planning Unit of the Ministry of Finance is the other agency involved in property development.

The LDCA, which is empowered to serve enforcement notices on persons who undertake developments without its written and signed approval, said that upon investigation it was discovered that many developers were given permission by unauthorised entities (ministries/bodies/persons) rather than the proper authority.

In order to put a stop to these irregularities, the LDCA would like to remind all Ministries, bodies, persons or other entities that are responsible for this act that the only authorised body which has the right to exercise such permission is the Land Development Control Authority.

Persons found guilty of breaching the law could be fined up to \$2,000.

CSO: 3298/943

GRENADA

PRICE INCREASES SPUR RETURN OF NUTMEG PRODUCERS

Port-of-Spain TRINIDAD GUARDIAN in English 7 Aug 85 p 7

[Text]

ST. GEORGE'S, Tues., (Cana):

CHAIRMAN of the Board of the Grenada Co-operative Nutmeg Association (GCNA), Mr. Norris James says farmers are returning in greater numbers to production following recent price increases.

In the last few years, nutmeg producers in Grenada consistently threatened to refuse to pick up their crops for export in the face of low prices on the international market.

Although fairly large quantities of nutmegs were sold in 1983, the financial returns were not favourable and the year's trading resulted in a deficit of just over half a million dollars.

This forced the then interim Government to step in and provide the industry with a grant of \$500,000 from Stabex (price stabilisation) funds provided by the European Community (EEC) in order to pay farmers a surplus of \$1.2 million for the 1984 nutmeg year.

According to Mr. James the price increases which took effect last month created an impact on the nutmeg farmers and for the coming months there are expectations that the industry would record a good performance.

With effect from July 1, the GCNA increased the advance prices for deliveries of green nutmegs from 50 to 60 cents per pound, and dried nutmegs from 70 to 84 cents as a further incentive to growers for the 1985-86 nutmeg year.

CSO: 3298/943

GRENADA

EXIT OF CARIBBEAN MILITARY AFFIRMED FOR SEPTEMBER 1985

Port-of-Spain TRINIDAD GUARDIAN in English 5 Aug 85 p 5

[Text]

ST. GEORGE'S, Sun., (Cana):
GRENADA'S Commissioner of Police, Russell Toppin, says there are fewer than 30 military personnel from the Caribbean remaining in Grenada, following regional Governments' decision to pull out the troops, which had been on peace-keeping duties since the October 1983, US-led invasion.

Toppin said all military personnel from the Caribbean would leave Grenada by September, when troops from the US, Jamaica, Barbados and Eastern Caribbean islands would stage a joint military exercise in Saint Lucia.

He told reporters that only a limited number of troops from Barbados and Antigua was in Grenada for a specific purpose, which had nothing to do with peace-keeping duties.

"I understand that there may be some training of the reserve troops of the Barbados Defence Force, and perhaps they (the remaining military personnel) would be assisting in the training of the Barbados Defence Force," Toppin added.

"I think there is a large group of them coming over for training. The Barbados people have asked to use Grenada for that purpose, and these people who are here are just there for assisting in the training," he said.

The Police Commissioner reiterated that the Grenada Police Force was ready and capable of ensuring adequate security on the island, despite the withdrawal of the foreign forces.

He said the police did not anticipate any problems in carrying out the security arrangements for the start of the trial, on Thursday, of 19 former military and political officials accused of murdering former Prime Minister Maurice Bishop.

CSO: 3298/943

GUADELOUPE

ACCOUNT OF CONTACTS BETWEEN LUC REINETTE, FRENCH OFFICIALS

Paris LIBERATION in French 4 Jul 85 p 36

[Article by V.B.]

[Text] In Guadeloupe it was an open secret whispered about by everyone without anyone's being able to provide the details. "Yes," they positively stated at Pointe-a-Pitre. Luc Reinette, one of the independence movement leaders and presumed head of the Caribbean Revolutionary Alliance (ARC), which is responsible for several attacks, had had contacts with the French Government while he was hiding from the law. Which ones? A mystery. Neither the Communist Party, which was the first to report them in L'ETINCILLE, could back these statements, nor Reinette's friends, who remained mysterious about them, nor even the interested party himself, who at his trial replied to the presiding judge who was questioning him: "I don't have to either confirm or vouch for this report."

Nevertheless, yesterday Luc Reinette, once again on the run since 16 June after having succeeded in escaping from prison in Basse-Terre, broke his silence by making public a six-page statement dated 21 November 1984. In this document bearing his signature and his fingerprint, the Guadeloupian independence movement militant talks about the 6 months (from mid-April to October) during which he had contacts with "special envoys" from the French Government. According to him, during his previous escape he went to two meetings, on 26 and 21 July 1984, with two unofficial emissaries one of whom was lawyer Christian Charriere-Bournazel (Charriere-Bournaze in the document), a friend of Roland Dumas, the current minister of external relations.

"It was in mid-April," luc Reinette relates, that he learned "that the French Government wanted to enter into contact (with him) for an exchange of views." "Mistrustful," he consulted his comrades and agreed to meet with his French go-betweens on 26 May 1984 at the time and place that suited him. As an "indispensable preliminary," to "politically prepare the terrain" Reinette decided to "contact the leaders of the Guadeloupian Left." The first secretary of the Guadeloupian Socialist Federation, today the president of the General Council, Dominique Larifla, was advised. During a secret interview in the middle of the night, Luc Reinette continues, the PS [Socialist Party] official "informed me of his absolute inclination to favor the realization of an agreement, even adding that he would take advantage of Roland Dumas' impending stay in Guadeloupe

to express to him his support for any initiative that might equitably restore peace in Guadeloupe." Still preparing for this interview with the French representatives, Luc Reinette contacted a Communist deputy, Ernest Moutoussamy, who "declared himself ready to contribute to any political appeasement." The same procedure with Jean Girard, the mayor of Marie-Galante, connected with the PC [Communist Party] and in sympathy with independence movement arguments, who also declared himself to be in favor of this initiative. The principal independence movement, the UPLG [Popular Union for the Liberation of Guadeloupe], was also informed "of the strategy that we intend to pursue in the months to come."

Finally and "with a profusion of precautions," the meeting took place "on Saturday, 26 May 1984 at 2030 hours in the vicinity of Les Abymes." Charriere-Bournazel, who "made it clear that his presence was unofficial, the French Government desiring only to hear our demands," received Luc Reinette's demands: "liberation of political prisoners," "cessation of all manhunts engaged in to find members of the underground" and "official recognition of the right of the peoples of Guadeloupe, Martinique and Guiana to self-determination." According to Luc Reinette's statement, Charriere-Bournazel, who was received by the minister of the DOMTOMs, returned to Guadeloupe bearing the reply: "To our great surprise," Luc Reinette goes on, "all our demands were in principle accepted by the French Government. Mr Charriere-Bournaze, however, confidentially informed us that the French Government's preference was clearly oriented toward an associated state status. Furthermore, he informed us of the appointment at Elysee level of an envoy who would be responsible for pursuing, officially this time, the talks that have begun."

At that point the contacts were reduced since the deaths of four UPLG militants who were blown up with their bomb "temporarily interrupted the process." Indiscreet accounts that appeared in the press did the rest. By the end of October contacts were permanently broken off. "The announcement that the political trials were to begin in December 1984" was for Luc Reinette "the proof of the French Government's having reneged on its word."

Luc Reinette waited 7 months before issuing this statement "destined to be published in the eventuality of a treacherous act on the part of the French, who are not ready to change their minds." Seven months during which, despite the 24 years in prison the Basse-Terre court of appeals had inflicted on him, he had prepared a counteroffensive with his friends. On 16 June he escaped with three cellmates, all members of his movement. Today he reveals information that risks greatly embarrassing the government, which for the moment refuses to make any comment. The manhunt has been launched with redoubled intensity.

11,466
CSO: 3219/10

MONTSERRAT

BRIEFS

BRITISH ECONOMIC AID--Plymouth, 2 Aug--Britain is expected to spend 1.6 million pounds sterling on projects in Montserrat this year, Overseas Development Minister Timothy Raison said today. He told a news conference following a meeting with Chief Minister John Osbourne and other government leaders that port protection and rehabilitation of the main jetty at Port Plymouth were included in the projects. A new police station is to be constructed in Salem, five miles north of the capital, Plymouth. Funding had also been allocated to agriculture and tourism projects, Raison said. Montserrat is one of Britain's last dependent territories in the Caribbean. We recognise that the dependent territories are a special responsibility of ours and on a per capita basis they all get far higher aid per head than other countries with more poverty, Raison said after a tour of British Government-funded projects. Raison left today for St Lucia where he was due to meet leaders of the Organization of Eastern Caribbean States (OECS) on Britain's aid programme for the region. [Text] [Bridgetown CANA in English 2107 GMT 2 Aug 85 FL]

CSO: 3298/944

NICARAGUA

LAND REFORM FIGURES FOR MASAYA, COUNTRY PUBLISHED

Managua BARRICADA in Spanish 17 Jul 85 p 6

[Excerpts] "Our dream has come true," stated Profirio Gonzalez, a peasant who had just received an Agrarian Reform Deed yesterday on the occasion of the 6th anniversary of Agrarian Reform in Masaya. At the ceremony, 3,378 manzanas of land was turned over to the nation's peasants, and national President Daniel Ortega pinned badges of recognition on the chests of 180 people who made a historic contribution to the Sandinist National Liberation Front (FSLN).

Cmdr Jaime Wheelock described the difficult times the peasants underwent in order to obtain possession of the land, explaining that the landholders had allowed them to possess only 2 percent of the land. He stated that in 6 years of revolution, the Agrarian Reform Program has turned over 26 percent of all the country's farmland to 68,900 rural families.

These statistics were greeted joyfully, as peasants from all regions and special zones who were represented at the celebration in Masaya gained hope from the announcement that the Agrarian Reform Act has caused 3,300 holdings to change hands. Among them are 2,000 holdings recovered from the Somozaists and 500 that had belonged to landowners who kept them idle.

Of this land, 740,000 manzanas was turned over to cooperatives and individual peasants; the People's Ownership Sector (APP) was created, and it oversees 1.5 million manzanas; 1.354 million manzanas was deeded to peasants who had previously occupied the land without legal title; and, in recognition of the Indian communities to own land, 50,000 Agrarian Reform Deeds were given to peasants in Zelaya Norte.

Cmdr Wheelock also stated that four ownership sectors have been established so that what used to be an economic dictatorship of the land by a handful of oligarchic families could become a pluralistic democracy.

First, hundreds of thousands of manzanas have been turned over to formerly landless peasants; second, a solid cooperativist movement has been organized and promoted, for the first time establishing a powerful and stable associated sector in the national economy.

Third, the state Agrarian Reform enterprises, the backbone of the agriculture sector, have also been formed; and finally, small- and medium-scale farming

has been preserved, defended and supported, with 30 percent of the country's land allocated to this sector.

As for land ownership, Wheelock noted that Somoza held 20 percent of the country's farmlands (the best lands), and 1,600 landowners had more than 3 million manzanas (40 percent of all land), while more than 60,000 peasants held less than 10 manzanas each for a total of 160,000 manzanas (2 percent of the land).

As of July of this year, land in the hands of the latifundists amounted to just 12 percent, while the aforementioned 2 percent that the peasants had owned had risen to 17 percent. Thus, considering these holdings and the land held by the APP, the cooperatives, and the formerly landless peasants, it can be said that now nearly 40 percent of the land is in the hands of the people.

This leaves 12 percent of the land in the hands of the large landowners, and 40 percent belonging to medium-scale farmers. Thus, the Revolution has increased the latter's holdings by 10 percent.

The APP has 19 percent of the land, and credit and production cooperatives and peasants who still own less than 10 manzanas each together account for another 19 percent of the land. Wheelock emphasized that the principles of pluralism and democratization of land ownership are being put into practice in this country.

This pluralism, which is the work of the Revolution, has benefited the thousands of landless peasants, he explained, while damaging the Somozaists and the major landholders. In 1984 more than 548 million cordobas was guaranteed to small landowners.

He recalled that 107 agricultural workers, including 11 technicians, 28 laborers, 60 peasants and other comrades from institutions, have been murdered by the counterrevolutionaries. In addition, 151 million cordobas in property damages have resulted from the counterrevolution, with Region 6 suffering the most at 40 percent.

A total of 3,378 manzanas was turned over at this ceremony, as part of the 175,000 that will be deeded during July. Masaya received 2,760 manzanas, which will benefit 686 families. With the 7,000 manzanas that was deeded over on 14 July, the total amount of land given to Masaya is 3,500 manzanas. This has brought hope to 862 Masaya peasant families.

Of the land turned over to Masaya, 619 holdings had belonged to the state, 860 were negotiated with their owners, and 1,281 holdings were expropriated from owners who had refused to negotiate.

Juan Galan, the peasant president of the UNAG [expansion unknown] in Region 4, stated that there is not enough land in Masaya to supply all the peasants in the region, so "we must squeeze what we can out of every inch of land we have."

The peasants who held their Agrarian Reform Deeds high agreed with him on the need to become an army of farmers to keep up the defense of the fatherland, and army that can produce and take up arms at the same time.

8926

CSO: 3248/494

NICARAGUA

ROBELO EXPLAINS UNO VIEWS ON MIXED ECONOMY, DEFENSE

San Jose LA NACION (NICARAGUA HOY supplement) in Spanish 20 Jul 85 1C-2C

[Interview with Alfonso Robelo, board member of the Nicaraguan Opposition Union; author, date, time and place not given]

[Text] [Question] What government program will the Nicaraguan Opposition Union (UNO) pursue in Nicaragua in the future?

[Answer] In UNO's statement in San Salvador last 12 June, we made it clear that the three pillars of our struggle, which constitute our commitment to the Nicaragua of the future, are: national reconciliation, laying the groundwork for democracy, and building the foundation for the moral and material reconstruction of Nicaragua.

We understand national reconciliation to mean the reunification of the Nicaraguan family. It will entail an amnesty that will cover all Nicaraguans accused of political crimes and associated common crimes. This will be our point of departure for achieving the national reconciliation that everyone yearns for. We are also referring to the demilitarization of our society. We want to remove the truly criminal level of militarism that the Sandinist Front has introduced in Nicaragua today, and promote a society where civilian matters take precedence over military matters, where the demands of the indigenous peoples of Nicaragua are responded to, where national values are promoted, where the Judiciary is strengthened, where all exceptional and special courts will be abolished.

This would enable us Nicaraguans to live in peace, to enjoy stability, and for the first time to break that vicious cycle of violence that has characterized our history.

With regard to the second pillar, laying the groundwork for democracy, we believe that a provisional government that constitutes the rule of law should be installed in Nicaragua. This government should guarantee that the government or state itself is subordinate to civilian society. There should be political pluralism, in which all ideologies are allowed to participate in truly free elections. The army and the other military forces should be subject to civilian rule.

This transition government should be very brief, and should call elections soon. It should not last more than a year, and it should draft a new constitution to lay the groundwork for the future Nicaragua.

With regard to the third pillar, building the foundation for national reconstruction, we propose a new social pact, one in which the classes join together. Under this pact, the excessive power now vested in the state would be decentralized. It would provide the basis for social justice and guaranteed political liberties, and would win the confidence of all major sectors in society, united in an effort to rebuild everything that was destroyed by the present and former dictatorships. We have summed this up in a phrase that to me conveys this point succinctly: "We are struggling for a Nicaragua that has as much civilian society as possible and as much government as is necessary."

[Question] In the political pluralism that you have demanded of the Sandinist National Liberation Front (FSLN), which obviously must function in the Nicaragua of the future, will there be any room for the Communist Party?

[Answer] We have stated clearly that there should be political pluralism without limitations. Free elections should be held, with all ideologies and all political persuasions, without exception, having the right to participate. The entire gamut of ideologies that exist in Nicaragua today, from the extreme right to the extreme left, should be allowed to participate. The only condition for participating is that the people's will must be respected, and a democratic process must be followed in which there are periodic elections wherein the people express their will by direct vote.

[Question] What is UNO's political ideology?

[Answer] The Nicaraguan Opposition Union is just that: a unification of Nicaraguans of all ideologies. As such, UNO has no ideology that could be pigeonholed within the traditional ideological schemes of the contemporary world. UNO's ideology is the ideology of democracy, the ideology of nationalism, which places Nicaragua's interests above all else, and the ideology of justice, which recognizes the right of all social classes to overcome their problems and join together in a national effort.

[Question] If UNO intends to build a mixed economy, what does it understand by that term?

[Answer] Nearly all economies in the world are mixed, because they have elements of state economy and private economy. We definitely believe that private enterprise should have a clearly defined sphere of action in Nicaragua, but that it should take into account other social classes. We also believe that the state should control only those activities which the private sector is incapable of carrying out efficiently and for the common good. The important thing is for all of us to contribute to the national reconstruction effort, to the effort that is being made through labor, which we understand to be the economy, so that we can be a society of different social classes joined in a common effort in Nicaragua. In other words, all sectors of civilian society should participate on an equal footing in the national economy and the

national reconstruction effort, and the benefits arising out of such efforts should also be shared by all sectors of civilian society.

[Question] What kind of relations will the future government have with the socialist bloc?

[Answer] Within our objective of defending national sovereignty, we want to have respectful and dignified relations with all the countries of the world that respect our sovereignty and our right to self-determination. We will not allow foreign interference in matters that are the business of Nicaraguans alone; but if there is a socialist country, the mere fact that it has a socialist government should not pose an obstacle to our having relations with it. What would pose an obstacle, however, would be if a socialist or communist country tried to interfere here and especially to promote subversion in the Nicaragua of the future, in keeping with the expansionist attitude that characterizes that ideology; we will not tolerate that. That will definitely be rejected. But we are open to having relations with all countries that respect us, especially, I would say, with the Central American countries that are our brothers and that, due to their proximity, suffer the same problems Nicaragua has today. Nicaragua is a cancer that threatens to spread throughout Central America. On a second plane, we would like to have relations with all our brothers in the countries of the Americas, which are closest to our future and somehow share our visions of progress, peace and stability. We will have the best of relations with them.

[Question] What will the UNO government do with Nicaragua's current weapons and army?

[Answer] When we mentioned the national reconciliation, we spoke emphatically of the demilitarization of society. Weapons and militarism abound in Nicaragua, where there is a shortage of jobs and a shortage of food, and above all a shortage of freedom and justice, which are the essential values of democracy.

Since we are talking about a national reconciliation, about building peace in Nicaragua, we believe that there should be a small army that serves only to defend our sovereign interests and is not at the service of any party. It should serve the interests of the future Nicaraguan society. It should simply ensure that we follow the path of justice, liberty and peace. We should sell those weapons to countries that are interested in buying them, but we should do so when the conditions are right. We should even follow the lead of Costa Rica, from which we can learn so much, a country that does not spend the money it has on that tremendous burden, a national army.

8926

CSO: 3248/494

ST LUCIA

DETAILS OF AID AGREEMENT WITH EEC CITED BY COMPTON

FL021659 Bridgetown CANA in English 1423 GMT 2 Aug 85

[Text] Castries, 2 Aug--St Lucia will receive aid totalling EC11 million dollars (one EC dollar: 37 U.S. cents) from the European Community (EEC) under the terms of Lome III, a trade and aid agreement between the EEC and African, Caribbean and Pacific (ACP) states.

This was announced yesterday at the conclusion of a visit by a high-powered EEC delegation, now touring the Windward Islands. The team is headed by Michael Hauswirth, deputy director general for development in the European Commission, and includes a representative of the European Investment Bank (EIB).

The St Lucia allocation is equivalent to 5.5 billion ECUs and comprises 5 million ECU (EC10 million dollars) in the form of grants and 500,000 ECUs (EC 1 million) in the form of risk capital managed by the EIB.

The EEC delegation met a St Lucia team, which was headed by Prime Minister John Compton, and agreed that the aid would be focused on rural development.

In addition, the EIB would be able to help finance from resources under its management certain productive capital projects which conform to Lome III, a joint release said.

Compton, speaking at the signing of the new agreement, said the arrangements would provide for the continuation of a programme of cooperation between St Lucia and the EEC which began in 1975.

He added St Lucia has reaped substantial benefits, particularly in the field of agricultural diversification, feeder roads and the training of our people. These programmes have made a significant impact upon our economic development and assisted us to assume with confidence the burdens and responsibilities attendant upon our attainment of independence.

Compton said the bulk of the new aid would be concentrated in the agricultural sector, including improving local facilities for marketing agricultural products.

Two of the city's important landmarks, the Castries market and Victoria Hospital, both more than 90 years old, would be renovated and improved with EEC funds, Compton said, adding that overall the projects to be funded under the new agreement would take St Lucia further along the road to economic self sufficiency.

According to the EEC delegation, the financial package signed here does exclude additional resources which may be allocated to St Lucia during the lifetime of the convention by way of non-programmable resources managed by the commission such as possible allocations from the stabex [as received] system, emergency aid and food aid.

The delegations also held an exchange of views on ways of stepping up regional cooperation in the Caribbean, with the EEC team proposing that a sum of 72 million ECUs (about EC145 million) could be considered as a basis for the establishment of regional cooperation programmes, the release said.

During their stay here, the Community delegation visited ongoing EEC-funded projects, including the Roseau model farms project under which more than 1,000 acres of land is being leased to 175 small farmers.

CSO: 3298/945

URUGUAY

OPPOSITION PARTIES ADD SIX POINTS TO PROPOSALS

Montevideo LA HORA in Spanish 23 Jul 85 p 4

[Text] Platform of solutions proposed by the PIT [Workers Inter-Union Plenary]-CNT [National Convention of Workers], the Broad Front, the National Party, the Civic Union and a group of social organizations, on 27 June, in the great national movement on behalf of "Solutions Now, No More Dictatorship," which, with the addition of six more points, will be demanded again today by the Uruguayan people in the struggle for solutions and democracy.

Increase in real wages.

Minimum retirement on the level of the national minimum wage.

Subsidy for the family market basket.

Reduction of bank interest rates to encourage productive investment.

Turnover of all the fields held by the Central Bank, through the purchase of assets from the Institute of Colonization.

Less tax burden to protect and develop the native industry.

National health insurance and funds for the Ministry of Public Health.

Plan for low-cost housing, immediate registration and aid to the existing cooperatives.

Immediate passage of the Emergency Law on Rentals, with a basic law that will repeal free contracting.

Freeze and a national ticket for students and retirees, and establishment of the peripheral ticket.

A fair budget and completion of the democratization of education.

Reopening and reactivation of sources of work at a standstill: Anglo, Infrinsa, Arinsa, Valencia Mines, etc.

Explanation and justice regarding the status of those imprisoned and missing, and violations of human rights; repeal of the repressive laws and instruments still in effect.

Refusal to accept the IMF's impositions.

The new points added are:

1. Solidarity with the unions engaged in struggles.
2. Passage of the Law on Reinstatement of Those Dismissed from Public and Private Establishments.
3. Rejection of the "rate schedule," against high prices and on behalf of the freeze on prices of the family market basket.

4. Against the repressive measures, decrees and laws, and on behalf of the repeal of Act 19.
5. On behalf of the reestablishment of the Social Laws in effect on 27 June 1973.
6. Against the rise in rents and on behalf of the immediate passage of an Emergency Law on Rentals.

2909

CSO: 3348/882

URUGUAY

DEPUTY SAYS CONGRESS INEFFECTIVE ON MAJOR ISSUES

Montevideo BUSQUEDA in Spanish 25 Jul 85 p 6

[Interview with Colorado Deputy Luis Hierro Lopez; date and location not specified]

[Text] Colorado Deputy Luis Hierro Lopez proposed the creation of a Social-Economic Council comprised of the government, the parties, business owners and workers, which would settle and anticipate disputes and analyze the major national issues, determining the type of country toward which Uruguayan society is heading.

In an interview granted to BUSQUEDA, the Liberty and Change legislator claimed that "the channels for understanding must be made official," leading to the social pact, through a superior entity that would, by consensus, determine the economic policy "on the highest level" noting that Congress "has not been able to sink its teeth into the major issues," but has been busy responding to the most urgent initiatives.

Hierro cited the Argentine example, and gave a reminder that the creation of the Economic Council is called for in our Constitution; considering it a useful tool, over and above the formal determinations, for dealing with the current state of social tension.

Creating an Economic-Social Council

[Question] Mention is being made again persistently in political circles of the need for a social accord in our country. Do you agree with this proposal? How do you think such an accord should be established?

[Answer] I think that the channels for understanding must be made official. The desire for understanding has been duly expressed by all the political and social sectors, but when the period of reaching agreement ended, the congressional phase started.

In this atmosphere, the political agreement has occurred, allowing for accord among the parties representing the entire society, which has prompted me to subscribe to the proposition that a representative democracy would not, theoretically, require other mechanisms for understanding.

But the social sectors, which are so dynamic and influential in the country's life, may be demanding other levels of negotiation.

Therefore, I personally think that it is feasible to create and set up the Economic Council or, as has just been done in Argentina, a Social-Economic Council.

This agency emerged in the Constitution of 1934, which is why it has been criticized by certain sectors with the notion that it might have corporatist criteria. But the Economic Council was confirmed by the democratic Constitutions of 1951 and 1967.

The three traditional branches would converge there: the political sector, represented by the government and the parties; the business-owning sectors; and the social sectors.

[Question] Couldn't this dialogue take place in the so-called sectorial commissions also stipulated in the Constitution, in the area of the Office of Planning and Budget?

[Answer] The sectorial commissions are planned as advisory organs, for purposes of preparing the budget. In my opinion, what there should be is a kind of Superior Council on Wages.

If the experiment with the Wage Councils was positive, why not establish a social-economic higher echelon, just as there has been a high political echelon that has operated well?

This high echelon should not only solve the problems, but, essentially, anticipate them, through the planning activity which the country lacks, and establish there the major goals toward which the society is to be led.

If there is an active participation by all sectors in the devising of that model, we shall all be responsible for its implementation. Otherwise, the time would come when only the government would have the responsibility, and the social and political sectors would be kept excluded, making it impossible to surmount the major problems.

[Question] But won't this Social-Economic Council hamper the government's action?

[Answer] This doesn't involve the creation of a new bureaucratic obstacle, but rather a responsible area from which to project the economic model of a country that we want.

The country needs a long-term economic policy, proposed by consensus.

There, the current debates would have to be settled: the policy toward the International Monetary Fund; the influence of wages on prices; the fiscal and tax policy, etc.

If it is accepted by all those involved, those policies would be very effective.

Furthermore, this is an intelligent way of avoiding disputes or of having sufficient authority to prevent them.

The Social-Economic Council would be the area in which to propose the indicative planning that Uruguay requires.

[Question] Isn't this position that you mention different from the one upheld until now by the Colorado Party, which thought that the reaching of agreement should continue under the democratic regime through the established institutional channels, especially the Congress? Is your opinion associated with the present social tension, with what has been termed a "confrontation" between the trade unions and the government?

[Answer] It is based partially on that. We were all expecting something different from the country during the first months of democracy.

I don't think that the proposed solutions should be permanent. With the situation that has been created, the Social-Economic Council could formalize the dialogue on the highest level.

We are in a position to demand contributions from the workers. But I also know that they will want to have assurance that the economic policy is going to bring its results. And there is lack of confidence in this respect, because there has not been a permanent, customary dialogue that would give the workers equanimity regarding how the economic policy will bring results and in what direction it is heading.

This dialogue would lend confidence to both sides and we would be "cushioning" future disputes.

Class Struggle: 'Position of Minorities'

[Question] On repeated occasions, trade union leaders have said that they would under no circumstances make the "class struggle" contingent on a social pact. The business owners, for their part, insist on their own issues, such as the over-indebtedness, certain incentives for their activity, prefinancing, lines of credit, etc. In this context, do you think that a genuine social pact is possible?

[Answer] It is possible, because the proposal for the class struggle is upheld by minorities in this country. They are minorities that I respect, and they are entitled to propose the class struggle as a philosophical and political interpretation of the historical future. But if we look at the election results, we shall note that it is minorities which hold that position. Hence, I don't think that they will impede reconciliation and understanding.

As for the business owners' demands, I believe in the political agreement not to transfer costs to the working sectors, causing inflation or liquidating debts. In this respect, the parties hold similar positions.

'Sinking Teeth Into the Major Issues'

[Question] You claim that Congress has not been a suitable area for certain negotiations. How do you assess the congressional activity during recent months?

[Answer] Thus far, Congress' action has been what might have been expected, responding to the most urgent initiatives of the Executive Branch. There have been two or three important laws, restoring rights, and others giving an immediate response to urgent situations in the economic and social area.

But I notice that the Chambers and parties have not been able to "sink their teeth" into the major issues.

One of the national tragedies into which it will be necessary to probe at the proper time is still the tremendous expansion of the state and the inefficiency of the Uruguayan bureaucracy. There must be a great effort to debureaucratize. And this requires the government's action, but also that of Congress; not only through major laws on the rendering of accounts and the budget, which have not yet been possible to consider, but also by eliminating the political "patronage" and other similar evils.

Our country must also seriously propose a policy on population and national integration. We still remain as Montevideo and all the rest, whereas Uruguay should be totally integrated.

Except for an emergency law, it has been impossible to work on the education problem, and we still have an educational system that does not address the major national problems, and that requires the training of technicians for the country's real transformation.

We have not even been able to imagine a national system of science and technology, and we are absolutely in our infancy. We have not been able to work on the matters involving Uruguay's inclusion in what to us is the world of the future, but what is actually the contemporary world, with respect to data processing systems, telematics, computers, etc., which are so closely associated with the country's real transformation.

Congress has engaged in an enormous effort to investigate the past, which is ending with the foreseeable results; but I think that it is time to start legislating for the future. This Congress must thoroughly renew the national thinking.

From now on, we must show that this Congress is not going to repeat the history of the Congress prior to 1973, and that it is in a position to innovate and provide those great responses that the country needs.

2909

CSO: 3348/882

URUGUAY

SOCIAL PROBLEMS THREATENING NEW DEMOCRACY, SAYS WRITER

Montevideo BUSQUEDA in Spanish 25 Jul 85 p 3

[Article by Daniel Bianelli: "Leaving Behind the Specters of the Past"]

[Text] During the past few weeks we have begun to perceive countless signs and evidence that the situation has started to become complicated on nearly all fronts, particularly in the social and labor areas.

The problems critically facing Uruguayan society today are not a result of an administration which took office only 150 days ago.

We were all well aware that the return to democracy would not be a matter of a day, nor an easy task, because of the difficulties inherited from the military regime and those which would naturally have to crop up during the first phase of the social decompression.

Up until now, the government has attempted to carefully resolve the most urgent issues, gaining time to ease the tensions inherent in that decompression. When one observes the delicate task as a whole, it cannot be claimed that the government has used little good sense in its moves. We must not forget that the present government administration is bound by the electoral commitment assumed by President Julio Sanguinetti: a commitment which received broad popular support only 8 months ago.

Nevertheless, day by day one notes increasing signs of impatience. On the one hand, the trade union leadership and certain sectors of the left have not ceased their criticism of the government for implementing an economic policy that they consider to be an extension of the one upheld by the military governments preceding it, tending once again to pass over the working class in order to comply with the international banks.

From the other end of the political and ideological spectrum, the more conservative sectors have also not ceased criticizing the administration for what they regard as a certain amount of listlessness or apathy toward the wave of strikes and union disputes; activities which are hampering productive industry and curtailing an entire effort for economic reactivation.

Both are demanding urgent measures of a contrary type. Populist or repressive measures are being called for.

Only a couple of weeks ago, during the transportation workers' strike, 62 workers were arrested for disorderly conduct on a public thoroughfare. When brought before a judge, they were released. Then the union leaders claimed that the incident proved that the working class had to prepare to resist the repression triggered by the government, which was acting just like "the Pacheco regime" and represented the interests of the oligarchy and imperialism.

At present, one often hears expressions of discouragement from business owners and many other citizens in the most diverse social situations, over the strikes; and now we are hearing the first voices yearning for the firmness of the early years of the military regime, whose repressive nature and attitude dissuaded any trade union protests.

To many individuals taking a stance at both ends of the ideological spectrum, who have a natural tendency to simplify things, the country is in a situation similar to the one which preceded the coup d'etat of 1973.

It is true that the government is being run as it was then by the Colorado Party, that the presidency is held by a former minister of Jorge Pacheco Areco, and that the administration lacks the necessary congressional backing to deal with the situations based on its own judgment.

It is nonetheless true that the government is facing a highly politicized trade union movement, mobilized by proposals and slogans of a clearly classist type; and that, as then, union disputes are occurring constantly, despite the brief period of time since the new authorities took office.

Despite these coincidences, which could contribute largely to confusion or produce a wave of pessimism among the population, it is obvious that there is at present a new political and social reality that separates us from the past.

Because of his view of Uruguayan society and the world, and his very personal qualities, it is obvious that Sanguinetti is not Pacheco Areco, nor is he exercising power as the latter did from 1967 to 1972.

Nor are the leaders of the opposition parties holding positions today that are similar to those upheld toward the governments of Pacheco Areco and Juan M. Bordaberry. Although both Wilson Ferreira Aldunate and Liber Seregni have expressed criticism of government decisions which they do not approve, the dialogue with the president is constant and respectful.

A guerrilla movement is not operating at present, but on the other hand there are military sectors that are certainly longing for power.

We could list many other events which objectively prove that there are substantial differences with the past. Nevertheless, we have the impression that one of the greatest difficulties facing the country today is that the specter of the past still hovers around many sectors of the citizenry.

Nationalist Senator Alberto Zumaran has restated the notion of a social accord or pact, and the first reactions seem to be positive, at least in the political area.

The proposal, which we favor, even though it is known only sketchily, will not be easy to implement without a clearcut abandonment of the opinions and interests that all or some of the parties involved have been upholding.

We trust that this social accord or pact will be possible to establish, and soon. If not, we think that the government and the opposition, both political and trade union, will have to do their utmost to ease the present tensions, within the bounds of the law, as the president said in his proclamation of 18 July. In order to live in peace, there is no option other than to settle the natural controversies and conflicting interests in a peaceful, civilized way.

We must continue to strive to live under democracy, and appreciate its virtues, despite the difficulties and discouragement caused by the conflicts. We must arm ourselves with faith, to believe that we Uruguayans will be capable of achieving this.

We are not fond of political voluntarism, but we think that, in the present situation that the country is experiencing, we must not allow ourselves to be overwhelmed by pessimism and despair at the first setbacks.

We have no desire to be alarmists, but we have the impression that this might perhaps be the only (and last) opportunity that we Uruguayans will have to live under a completely pluralist, democratic regime; and we greatly fear that, if this experiment fails, the country will once again be heading toward an extremely repressive authoritarian process from which it will not be easy to emerge without very serious trauma, that would determine future events.

It is not a matter of raising the specter of another coup, but rather of being aware that there may be some who feel tempted to do so later on, if the problems increase.

We must arm ourselves with faith and patience, and become used to living in a complicated country in which hand-wrestling and skirmishes may break out periodically between the government and the opposition, or between the government and the trade unions, and in which there is slow progress, with the necessary limitations, gaining time so that new statements from the citizenry may help to clear up the situation.

Perhaps we should prepare to live under a political system (allow us the simplified comparison) similar to the Italian one, wherein every balance is weak and temporary, but where the country's institutional operation has not been upset on that account.

Obviously, Uruguay is not an industrial power like Italy, and we are not in Europe, but rather in South America. Nevertheless, the example may have some degree of validity.

Our challenge at present is to deter the specters which are tying us mentally to the past, and to attempt to give a civilized, democratic response to the combination of problems and difficulties that we are confronting.